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In the Supreme Court of the United States  
OCTOBER TERM, 1978

No. 78 - 836

LEE PHARMACEUTICALS,  
*Petitioner,*  
v.

JUANITA M. KREPS, SECRETARY OF COMMERCE, *et al.*,  
*Respondents.*

Petition for Writ of Certiorari to the United States  
Court of Appeals for the Ninth Circuit

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**Petition for Writ of Certiorari to the United States  
Court of Appeals for the Ninth Circuit**

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Lee Pharmaceuticals hereby petitions for a writ of certiorari to review the order and judgment of the United States Court of Appeals for the Ninth Circuit in this case.

**OPINIONS BELOW**

The order of the United States Court of Appeals for the Ninth Circuit (App. A, *infra*, p. 1a) denying petitioner's motion to vacate and reenter the judgment, is unreported. The opinion of the United States Court of Appeals for the Ninth Circuit (App. B, *infra*, pp. 2a-18a) is reported at 577 F.2d 610. The order of the United States District Court for the Central District of California (App. D, *infra*, pp. 21a-22a), dismissing the complaint, is not reported, and the district court did not render any separate opinion.

## JURISDICTION

The order of the court of appeals (App. A, *infra*, p. 1a) was filed on October 30, 1978. The judgment of the Court of Appeals (App. C, *infra*, pp. 19a-20a) was purported to be entered on June 29, 1978, but for the reasons discussed *infra*, pp. 10-12), we contend that it was not effectively entered until a few weeks ago, because of the court's failure to comply with F.R. App. 36.<sup>1</sup> The jurisdiction of this Court is invoked under 28 U.S.C. § 1254 (1).

## QUESTIONS PRESENTED

A. The court of appeals entered a judgment adverse to petitioner but did not comply with F.R. App. P. 36 by mailing petitioner notice (or otherwise notifying it) of the date of entry of the judgment. Petitioner timely sought a copy of the judgment but was unable to secure it or correct information of its date from the court of appeals until after 90 days from the putative date of entry of judgment. Petitioner then moved for an order vacating the judgment and entering a fresh one, so that it could file a timely petition for certiorari. The court of appeals denied the motion on the ground it lacked authority to grant the relief sought. The questions presented in this regard are:

1. Whether the entry of judgment was effective to trigger the running of the time permitted to file a petition for certiorari, because of the court's failure to comply with Federal Appellate Rule 36.
2. Whether, assuming the answer to question one is "yes," the court of appeals had authority to vacate its judgment and reenter it as a fresh judgment.

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<sup>1</sup> The questions of timeliness and jurisdiction are the subject of parts I and II of the "Reasons for granting the writ" and the subject of questions 1 and 2 of the "questions presented."

B. Petitioner sought to have pertinent "abandoned" patent applications made available under the Freedom of Information Act ("FOIA") (5 U.S.C. § 552), and to have the Patent Office consider them in connection with one of petitioner's patent applications. The Patent Office refused to do either. Petitioner's complaint was dismissed on the pleadings (F.R. Civ. P. 12(b)) and the court below upheld that judgment, on the grounds that 35 U.S.C. § 122 "is a specific statutory exemption" under 5 U.S.C. 552(b)(3) and that there was no justiciable controversy between petitioner and the Patent Office. The questions presented in this regard are:

3. Whether the Sunshine Act of 1976 permits 35 U.S.C. § 122 to be considered a specific exemption to FOIA, despite the clear legislative mandate that there shall henceforth be no exemptions to FOIA grounded on statutes giving agencies *carte blanche* to withhold or disclose information on a discretionary basis.

4. Whether § 122 absolutely exempts "abandoned applications" from FOIA, despite that section's limitation in terms to cases wherein the information is not "necessary to carry out" an Act of Congress.

5. Whether 35 U.S.C. § 131 and 37 C.F.R. § 1.104 oblige the Patent Office to consider pertinent abandoned applications in determining whether or not to grant a patent to the applicant; and, if so, whether there is federal jurisdiction to order the Patent Office to take such action.

#### **CONSTITUTIONAL AND STATUTORY PROVISIONS; RULES AND RELATED MATERIAL**

Article I, Section 8, clause 8, of the Constitution of the United States provides:

The Congress shall have Power \* \* \*

\* \* \* \* \*

To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries \* \* \*

The Freedom of Information Act, as amended by the 1976 Sunshine Act, 5 U.S.C. § 552, provides in pertinent part:

(a) Each agency shall make available to the public information as follows:

\* \* \* \*

(3) Except with respect to the records made available under paragraphs (1) and (2) of this subsection, each agency, upon any request for records which (A) reasonably describes such records and (B) is made in accordance with published rules stating the time, place, fees (if any), and procedures to be followed, shall make the records promptly available to any person.

\* \* \* \*

(4) (B) On complaint, the district court of the United States in the district in which the complainant resides, or has his principal place of business, or in which the agency records are situated, or in the District of Columbia, has jurisdiction to enjoin the agency from withholding agency records and to order the production of any agency records improperly withheld from the complainant. In such a case the court shall determine the matter *de novo*, and may examine the contents of such agency records in camera to determine whether such records or any part thereof shall be withheld under any of the exemptions set forth in subsection (b) of this section, and the burden is on the agency to sustain its action.

\* \* \* \*

(b) This section does not apply to matters that are—

(3) specifically exempted from disclosure by statute (other than section 552b of this title), provided that such statute (A) requires that the matters be withheld from the public in such a manner as to leave no discretion on the issue, or (B) establishes particular criteria for withholding or refers to particular types of matters to be withheld;

\* \* \* \*

Any reasonably segregable portion of the record shall be provided to any person requesting such record after deletion of the portions which are exempt under this subsection.

(c) This section does not authorize withholding of information or limit the availability of records to the public, except as specifically stated in this section. This section is not authority to withhold information from Congress.

\* \* \* \*

35 U.S.C. § 122 provides:

Applications for patents shall be kept in confidence by the Patent and Trademark Office and no information concerning the same given without authority of the applicant or owner unless necessary to carry out the provisions of any Act of Congress or in such special circumstances as may be determined by the Commissioner.

35 U.S.C. § 131 provides:

The Commissioner shall cause an examination to be made of the application and the alleged new invention; and if on such examination it appears that the applicant is entitled to a patent under the law, the Commissioner shall issue a patent therefor.

37 C.F.R. § 1.104 provides:

(A) On taking up an application for examination, the examiner shall make a thorough study thereof and shall make a thorough investigation of the available prior art relating to the subject matter of the invention sought to be patented. The examination shall be complete with respect both to compliance of the application with the statutes and rules and to the patentability of the invention as claimed, as well as with respect to matters of form, unless otherwise indicated.

(b) The applicant will be notified of the examiner's action. The reasons for any adverse action or any objection or requirement will be stated and such information or references will be given as may be useful in aiding the applicant to judge of the propriety of continuing the prosecution of his application.

37 C.F.R. § 1.108 provides:

Abandoned applications as such will not be cited as references except those which have become abandoned as a result of the filing and acceptance of a request under § 1.139.

F.R. App. P. 36 provides, in pertinent part:

\* \* \* The clerk shall prepare, sign and enter the judgment following receipt of the opinion of the court \* \* \*. The clerk shall, on the date judgment is entered, mail to all parties a copy of the opinion, if any, or of the judgment if no opinion was written, and notice of the date of entry of the judgment.

## STATEMENT

### A. Jurisdiction

The court of appeals' opinion is dated June 29, 1978. The judgment of the court of appeals bears the same date. The clerk of the court sent petitioner a copy of the

opinion, but (contrary to F.R. App. P. 36) did not send petitioner a copy of the judgment or give any notice of the date thereof. Petitioner diligently sought, through several counsel, to obtain a copy of the judgment (among other things, in order to comply with this Court's Rule 23(j), which requires that a copy of the judgment be included in a certiorari petition); was misinformed by the clerk's office as to the date of the judgment thereby giving petitioner to believe that the judgment was entered almost a month after its date of entry; and finally secured a copy of the judgment only after 90 days had run from the date of the entry of the judgment.

Petitioner immediately filed a motion with the court of appeals, supported by a declaration stating the pertinent facts (App. G, *infra*, pp. 41a-45a), pointing out that the court had failed to comply with F.R. App. P. 36; that such failure had seriously prejudiced petitioner; and requesting that the court vacate its judgment and enter it afresh, so that petitioner could file a timely petition for certiorari. The court of appeals denied the motion on the ground that it was "without authority" to grant it (App. A, *infra*, p. 1a).

#### B. Proceedings Below

Petitioner is a relatively small firm engaged in the manufacture of dental products and in research relating to such products. In this connection, petitioner has from time to time filed patent applications on inventions that it has developed. At present, petitioner has a patent application pending on what may be a valuable invention in this field, a "carvable dental composite restorative material" (originally, Application Ser. No. 504,838<sup>2</sup>).

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<sup>2</sup> During the pendency of this case, petitioner's patent application was continued forward under new serial numbers, in response to actions by the Office. The current serial number for petitioner's application is 906,926 (which follows Ser. No. 669,174, which followed Ser. No. 504,838). See App. F, *infra*, pp. 39a-40a.

Petitioner believes that this advance is a true invention, on the basis of such knowledge as petitioner has. Nonetheless, the actual truth may be that the petitioner's seeming invention was previously known or used, or invented by others, or an advance that is obvious in the light of information unavailable to petitioner, reflecting either a general state of knowledge in the art at an earlier time, or a general level of skill in the art outside the ambit of petitioner's knowledge and experience.

After it filed the foregoing application, petitioner sent a letter to the Patent Office (App. E, *infra*, pp. 29a-30a), requesting the Office: (1) to make available to petitioner under 5 U.S.C. § 552 (the Freedom of Information Act) those abandoned applications germane to the patentability of petitioner's pending application, and (2) to evaluate petitioner's application in the light of the information in such abandoned applications. Petitioner's president said (*ibid.*):

At present, my company has a unique commercial product constituting a carvable dental composite restorative material covered by Application Serial No. 504,838. I am writing this letter to request that the Patent Office search for and make available to my company under 5 U.S.C. 552(a)(3) those abandoned patent applications that may be in any way germane, based on their subject matter, to the patentability under any section of the patent statutes of the claims of Application Serial No. 504,838 and that those claims be evaluated relative to all abandoned patent applications so located.

The Office initially denied petitioner's requests (App. E, *infra*, pp. 31a-32a); petitioner appealed the decision (App. E, *infra*, pp. 33a-35a); and the Commissioner upheld the initial decision, finally denying petitioner's various requests and advising petitioner that it could seek judicial review of that final decision (App. E, *infra*, p. 36a-38a).

Petitioner then brought a civil action against the Secretary of Commerce and the Commissioner of Patents and Trademarks, in the Central District of California (within which petitioner resides and maintains its principal place of business), seeking a judgment: (1) requiring the defendants to produce the abandoned application germane to the patentability of petitioner's pending application, and (2) requiring the defendants to cause petitioner's application to be examined in the light of such abandoned applications (App. E, *infra*, pp. 24a-38a). The defendants moved to dismiss the complaint for failure to state a claim for relief (F.R. Civ. P. 12 (b)), and the district court granted the motion, holding that, "as a matter of law, plaintiff is not entitled to the relief requested and fails to state a claim for which relief may be granted" (App. D, *infra*, p. 21a). Accordingly, it dismissed the complaint with prejudice (*ibid.*).

Petitioner appealed to the United States Court of Appeals for the Ninth Circuit, which affirmed the judgment below. The court of appeals held that 35 U.S.C. § 122 expressly exempts abandoned applications from the operation of the Freedom of Information Act, as amended by the Sunshine Act of 1976, because (contrary to petitioner's contention) § 122 does not give the Patent Office "unfettered discretion to decide whether or not to reveal the contents of patent applications" (App. B, *infra*, p. 11a). It also ruled that disclosure of these abandoned applications was not "necessary" to carry out the patent statute, because petitioner's "premise . . . that the Patent Office is obligated under 35 U.S.C. § 131 to consider abandoned applications which are relevant to the patent being examined as evidence of prior art . . . is unsound" (*id.* at 14a-15a).

The court below also held that there was no jurisdiction to entertain petitioner's request that the Patent Office consider pertinent abandoned applications in ex-

amining its application, even if such abandoned applications were not to be disclosed to petitioner (*id.* at 15a-16a). It said, first, that the mandamus statute was "unavailing" because the Office's alleged duty is not ministerial. Second, the court said, there was no justiciable controversy, because of an alleged failure of petitioner to exhaust administrative remedies, and also because of "the more fundamental defect" of lack of ripeness, in that the entire issue could become moot either if the patent examiner held petitioner's claims all unpatentable or if petitioner subsequently abandoned its application before it matured into a patent (*id.* at 17a-18a).

#### **REASONS FOR GRANTING THE WRIT**

##### **I. The Petition Is Timely Because the Entry of Judgment Was Ineffective for Failure to Comply With Rule 36.**

The judgment below was entered without compliance with F.R. App. P. 36, which requires the clerk to give the parties immediate notice of the entry of judgment, so that they may seek timely appellate review. Not only did the clerk's office disregard Rule 36 completely, but it misled petitioner by incorrecting advising it informally, and in response to timely inquiry made September 19, 1978 that the date of judgment was much later than its actual date.<sup>3</sup> When petitioner finally pried the correct information out of the clerk's office, by securing a copy of the judgment, it found that 90 days had already run from the indicated date of entry of the judgment. Petitioner then immediately filed a motion with the court of appeals to vacate and reenter the judgment, so that petitioner could seek further appellate review in accord-

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<sup>3</sup> See paragraph 3 of the Declaration of Richard Stern, pp. 41a-44a, *infra*. Exhibit C to the Stern declaration is a letter to the Ninth Circuit requesting a copy of the judgment (p. 45a, *infra*). On October 13, 1978, the Ninth Circuit transmitted a copy of the judgment—which was not received by petitioner's counsel until October 20, 1978. See Appendix H pp. 46a-47a, *infra*.

ance with law, but the motion was denied (App. A, *infra*, p. 1a).

An almost identical question arose in *Hill v. Hawes*, 320 U.S. 520 (1944). In that case, the district court clerk failed to comply with the rule<sup>4</sup> imposing "on the clerk the duty, immediately upon the entry of the judgment, to send notice of such entry" (*id.* at 521). The Court noted that it is true that F.R. Civ. P. 77(d) "does not purport to attach any consequence to the failure of the clerk to give the prescribed notice" (*id.* at 523); on the other hand, there would be "no reason for requiring the notice if counsel in the cause are not entitled to rely upon the requirement that it be given" (*ibid.*). Hence, the Court reasoned, it would seem that to give effect to the rule it is necessary to conclude that "although the judgment is final for other purposes, it does not become final for the purpose of starting the running of the period for appeal until notice is sent in accordance with the rule" (*ibid.*).

The same principle applies here to F.R. App. P. 36 as applied to F.R. Civ. P. 77(d) in the *Hill* case. Rule 36 does not purport to apply any consequence to the failure of the clerk to obey the rule. Yet, as this Court said in *Hill*, there would be no reason to impose on the clerk the duty to give notice unless counsel are to rely on the duty's being performed. It follows that although the judgment of the court of appeals may be final for other purposes, it is ineffective to start the time running for filing a certiorari petition until notice is sent pursuant to Rule 36. The interest of justice in following that rule is all the greater, in a case such as the present one, where the nonfeasance and misfeasance<sup>5</sup> of the clerk's office have seriously prejudiced the petitioner.

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<sup>4</sup> The rule involved in the *Hill* case was F.R. Civ. P. 77(d), as it then stood. The present case, however, involves F.R. App. 36.

<sup>5</sup> Not only did the clerk's office fail to give the required notice, but it misinformed petitioner of the date of entry of the judgment when petitioner made inquiry. See p. 41a, *infra*.

Applying the rule in the *Hill* case here, therefore, the petition is timely because less than 90 days have run since the clerk's office finally gave petitioner notice of the date of entry of the judgment below.\*

## II. The Court of Appeals Erred in Holding That It had no Authority to Vacate Its Judgment in the Circumstances.

In denying petitioner's motion to vacate the judgment and reenter it, the court of appeals stated that it was "without authority" to grant the relief petitioner sought, citing as authority the decision of this Court in *FTC v. Minneapolis-Honeywell Co.*, 344 U.S. 206 (1952) (App. A, *infra* p. 1a). The court of appeals erred in ruling that it lacked "authority" (presumably, jurisdiction) to grant such relief.

To be sure, 28 U.S.C. § 2101(c) provides that in civil cases a writ of certiorari "shall be \* \* \* applied for within ninety days after the entry of such judgment," but § 2101 does not define what constitutes effective entry of a judgment or limit the power of the court of appeals to vacate and reenter its judgment. Moreover, in the very decision on which the court below erroneously sought to rely, this Court expressly recognized the authority of a court of appeals to supersede its initial judgment with a fresh one to protect the rights and legitimate expectations of the parties. *Minneapolis-Honeywell*,

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\* What that date is may be unclear, but it was at most only about a month ago. The clerk's office mailed petitioner a copy of the judgment, in response to petitioner's September 18 request, on or about October 13, and petitioner received it on October 20 (*infra*, p. 46a). Petitioner's Los Angeles counsel secured a copy of the judgment on or about October 5. See also p. 43a, *infra*.

The possibility is acknowledged, of which there is no record evidence, that the clerk did attempt to mail the notice required by Rule 36 to petitioner's counsel but that the post office failed to deliver such notice. However, petitioner should not be prejudiced in such a case.

*supra*, 344 U.S. at 211-212.<sup>7</sup> Instead of denying the motion on jurisdictional grounds, as it did, the court below was obliged to and should have exercised its discretion—in order to apply a “practical test” (*ibid.*) to determine whether the occasion was a proper one for disturbing the initial judgment and reentering it.

In *Hill v. Hawes*, *supra*, this Court noted that the provisions of the Federal Rules that permit the amendment or vacation of a judgment for clerical mistakes or errors “do not in terms apply to the situation here present,” but it stated nonetheless that it thought that the trial judge had authority to vacate the former judgment and to enter a new judgment, “in the interest of justice to a party to the cause” (*id.* at 524).<sup>8</sup> Accordingly, the *Hill* Court reversed the judgment of the court of appeals that had dismissed the appeal as untimely.

It follows that the court below in the instant case erred in denying the motion on the grounds of no authority, instead of deciding it on its merits. Hence, even if the petition is not timely, as we contend it is (Point I, *supra*), petitioner should not be denied any relief on the matter; the refusal of the court below to exercise its discretion was error. Normally, that might call for a remand to the court below with a direction that it exercise its discretion. The pertinent facts are simple and all before this Court, however, so there is no sound

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<sup>7</sup> In so stating, this Court pointed to the decision in *Providence Rubber Co. v. Goodyear*, 6 Wall. 153 (1868), as one example of an occasion on which it had been appropriate to allow an appeal from a second judgment (because the first had not been regarded by the parties as final).

<sup>8</sup> F.R. Civ. P. 77(d) and F.R. App. P. 4(a) now codify the *Hill* decision and expressly contemplate a motion like that which petitioner filed—as to appeals from the district court, as was involved in the *Hill* case. The rulings in *Minneapolis-Honeywell*, *supra*, and *Providence Rubber*, *supra*, are not codified in the Rules of this Court or the Federal Rules of Appellate Procedure.

reason for remanding the matter below only to have the case on the merits come back again on another certiorari petition in a few months. It is undisputed that the clerk below did not comply with F.R. App. P. 36—or that if he did, the motion constituting such compliance was never received by petitioner's counsel—and that this fact harmed or prejudiced petitioner. There is no prejudice to the government—none was alleged below and none can be asserted—if petitioner's certiorari petition is considered on its merits. In the circumstances, this Court can properly treat the matter as if the court below did what it should have done, *i.e.*, vacated and reentered the judgment instead of denying the motion. If the Court disagrees, however, the matter could be properly remanded below with directions to vacate and reenter the judgment because of the court of appeals clerk's apparent failure to comply with F.R. App. P. 36.

### **III. The Decision Below Eviscerates Congress' 1976 Amendment to FOIA, by Which Congress Sought To Deny Agencies Unfettered Discretion To Withhold Material from the Public.**

In September 1976 Congress enacted the "Sunshine Act," 90 Stat. 1241, 5 U.S.C. § 552(b)(3), specifically to overturn decisions of the federal courts narrowly applying the Freedom of Information Act ("FOIA"), 5 U.S.C. § 552, and expansively construing exemptions from that Act. Thus the original House Report (quoted by the court below, *infra*, App. B, at 10a n. 4) stated Congress' intention to broaden the application of FOIA by eliminating any exemptions to FOIA that were based on statutes giving the head of an agency "*carte blanche* to withhold any information he pleases" (H. Rep. No. 94-880, in 10 U.S. Code Cong. & Admin. News, 94th Cong., 2d Sess., at 2205). Congress also sought to eliminate FOIA exemptions based on any "statute that merely permits withholding, rather than affirmatively requiring

it" (*id.* at 2191, quoted, *infra*, App. B, at 10a, n. 4). Yet, 35 U.S.C. § 122, the supposed statutory exemption from FOIA on which the court below has relied to deny petitioner access to the papers it seeks, is exactly the kind of statute Congress singled out for elimination from FOIA exemption and, instead, for FOIA coverage.

The Patent Office, sustained by the court below, relied on 35 U.S.C. § 122 as the ground for not making abandoned applications in the pertinent field of art available to petitioner, holding § 122 to exempt such applications from FOIA. Section 122 provides (emphasis supplied):

Applications for patents shall be kept in confidence by the Patent Office and no information concerning the same given without authority of the applicant or owner unless necessary to carry out the provisions of any Act of Congress or in such special circumstances as may be determined by the Commissioner.

We submit that the italicized portion of § 122 gives the Commissioner *carte blanche* discretion to withhold or make available any abandoned (or other) application he pleases; by the same token, § 122 merely "permits" the Commissioner to withhold abandoned applications "rather than affirmatively requiring" him to do so (Cf. H. Rep. No. 94-880, *supra*). That § 122 is the very sort of statute Congress sought to reach in the Sunshine Act is even more specifically shown by a further part of the legislative history: Congress expressly mentioned 49 U.S.C. § 1504 and 42 U.S.C. § 1306 as two examples of exemption statutes that henceforth would not qualify under the Sunshine Act.\* Section 1504 allowed the Administrator of FAA to withhold information from public disclosure if, in his judgment, disclosure was not in the public interest. Section 1306 prohibited disclosure of a wide

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\* See the Conference Report, H. Rep. No. 94-1441, in 10 U.S. Code Cong. & Admin. News, 94th Cong., 2d Sess., at 2244, 2261, quoted *infra*, App. B at 10a, n. 5.

range of social security information except as the Secretary of HEW or Secretary of Labor "may by regulations prescribe." Clearly, § 122 is indistinguishable from the two statutes Congress named as examples of exemptions from FOIA to be eliminated by the Sunshine Act.

The court below recognized the intent of the Sunshine Act to remove discretionary exemptions from FOIA (App. B, *infra*, at 10a and nn. 4-5), but it declared that § 122 could qualify under the Sunshine Act on the theory that it does *not* give the Commissioner "unfettered discretion to decide whether or not to reveal the contents of patent applications" (App. B, *infra*, at 11a). Yet, the plain language of § 122 places no fetter on the Commissioner's discretion beyond the requirement (if it can be called such) that he determine that the circumstances are "special."<sup>10</sup> There is no standard in § 122 for what will constitute "special circumstances," and the Commissioner is left to roam at large in placing content in the term.<sup>11</sup>

<sup>10</sup> Perhaps the court below makes an unstated assumption that the use in § 122 of the word "unless" (rather than "if") to lead into the phrase "in such special circumstances as may be determined by the Commissioner" in some way makes the exemption more specific and limits the "*carte blanche*" or "unfettered discretion" of the Commissioner. If so, the distinction is an illusory one—for the part of § 122 following "unless" is so completely open-ended that the choice of conjunction cannot change the legal effect (or lack thereof) of the rest of the clause. Moreover, the structure of 42 U.S.C. § 1306, singled out by Congress as an example of the statutes to be reached by the Sunshine Act (see p. 15 and note 9, *supra*), follows the same format as § 122—a sweeping prohibition followed by a sweeping discretionary exception. The two statutes are completely parallel.

<sup>11</sup> Thus the United States Court of Appeals for the District of Columbia observed of § 122: "[W]e do think that the second [phrase following the word "unless"] (a determination by the Commissioner) does indicate that, barring any overriding concerns to the contrary, the Commissioner may, of his own accord, release any information requested without having to wage a courtroom battle under the Freedom of Information Act." *Irons v. Gottschalk*, 548 F.2d 992, 997 (D.C. Cir. 1976), cert. denied, 431 U.S. 926 (1977).

The Court below points out that the Commissioner and the Patent Office have established regulations defining some of the circumstances in which abandoned applications will be made available—*e.g.*, for discovery in interference or infringement proceedings, when the applications have previously been referenced in another patent or by voluntary disclosure of the applicant (App. B, *infra*, at 6a). But this approach does not qualify under Congress' recently-enacted test in the Sunshine Act. That Act's test is that the supposedly exempting statute must *itself* provide the specific criteria or standards for disclosure or withholding, rather than (as here) delegate their definition to the agency. The Sunshine Act does not leave the agency free to decide what to withhold, whether by regulation or case-by-case decision. Obviously, the agency can write or rewrite any standard found in its regulations as often as the Federal Register is published and in whatever way the agency pleases.

The court below may also suggest that the fact that § 122 applies only to information contained in patent applications, rather than applying to all information of any kind at the Patent Office, in some way establishes a sufficiently particular criterion for withholding information or refers to a sufficiently narrow class of matter as to make the Sunshine Act inapplicable (see App. B, *infra*, at 13a, n. 8).<sup>12</sup> In the first place, the contents of the

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<sup>12</sup> The Sunshine Act allows information to be withheld if a statute "specifically exempt[s]" the information *and* that statute also either (A) requires nondisclosure so definitely as to leave the agency "no discretion on the issue," or else "(B) establishes particular criteria for withholding or refers to particular types of matters to be withheld." Provision (A) is clearly inapplicable, for the definition of "special circumstances" leaves the Commissioner considerable, rather than no, "discretion on the issue." The first clause of provision (B) is inapplicable because § 122 does not establish "particular criteria." That leaves as the remaining possibility only that these applications are referred to in § 122 as "particular types of matters to be withheld." For the reasons given in text, that construction would be erroneous.

applications (together with the Office papers showing the action on them) do constitute the major part of the files of the Patent Office, so that any exemption of applications would not be a narrow exception to FOIA but a major exclusion. But more importantly, any such construction of the statute would run counter to the legislative history of the Sunshine Act. Congress expressly mentioned 42 U.S.C. § 1306 as an example of a statute it sought to eliminate as a source of exemption from FOIA. That section does *not* cover all information of any kind in the Secretary's possession (contrary to the suggestion of the court below, App. B, *infra*, at 13a and n. 9 (incorrect ellipsis)), but Congress still considered the section to be too broad for the Sunshine Act.

The applicability of the Sunshine Act cannot be construed wholly to depend on whether the putative exemption statute is directed at all or less than all of the information in the possession of the government official to whom the statute applies. Such an irrational definition of "particular" and such a distinction would make the Sunshine Act's application completely arbitrary and without any sensible relationship to any legislative purpose. The kind of particularity that 5 U.S.C. § 552(b) (3) (B) must refer to, if it is to make any sense in the context of the purpose of the Sunshine Act, would have to be "particular types of matters" that must be kept secret to carry out a particular governmental purpose. The court below suggests that abandoned applications are that particular type of matter because "[d]estruction of the patent system would follow if FOIA could be used to obtain abandoned applications" (App. B, *infra*, at 14a). Surely this extravagant prediction cannot be supported, and of course it is not supported on this bare, pleadings and motion-to-dismiss record.<sup>18</sup>

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<sup>18</sup> Petitioner argued below that it was entitled to a day in court, rather than just have its complaint dismissed on the bare pleadings,

It may be on a proper showing that a few abandoned applications should be withheld,<sup>14</sup> perhaps under some other specific exemption to FOIA, which was never relied upon below, but that is no reason to withhold all of them under § 552(b) (3), as the Office did here. In the present posture of this case there is no showing of the kind of rational connection between withholding abandoned appli-

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because such questions should be decided on an evidentiary record rather than on assumption or speculation. See, e.g., Reply Br. for Appellant, Ninth Circuit, below, at pp. 1-3.

In fact, the Ninth Circuit's extravagant prediction of "destruction of the patent system" is contrary to all the existing factual information, as opposed to mere speculation. First, the patent system did not collapse in the Nineteenth Century when abandoned applications were used to determine patentability (see App. B, *infra*, at 5a; on the contrary, it flourished. Second, the patent system is not destroyed today, when pending applications become part of the public record whenever there is an appeal to the Court of Customs and Patent Appeals under 35 U.S.C. § 141 or to the district court under 35 U.S.C. § 146. See, e.g., Appendices and Records in *Parker v. Flook*, O.T. 1977, No. 77-642; *Dann v. Noll*, O.T. 1976, No. 76-1558 (R. 5); *Dann v. Chatfield*, O.T. 1976, No. 76-1559 (R. 5); *Dann v. Johnston*, O.T. 1975, No. 74-1033; *Gottschalk v. Benson*, O.T. 1971, No. 71-485 (R. 3); *Hazeltine Research Inc. v. Brenner*, O.T. 1964, No. 919 (R. 9); Dunner, *Court Review of Patent Office Decisions: Court of Customs and Patent Appeals*, § 2.04[b] at p. 2-29. Nor is it destroyed when the Commissioner divulges *all* pending reissue applications pursuant to 37 C.F.R. § 1.11(b). Third, to obtain the benefit of the International Convention for the Protection of Industrial Property, foreign counterpart patent applications must be filed within one year of the corresponding United States filing date. Copies of the text of the United States application are publicly available on request within several months thereafter in major industrial countries including Belgium, France, and Germany. Finally, the Office's Rules provide that even pending patent applications are routinely made available to adversaries in interference proceedings before the Patent Office, because this is "*necessary*" to carry out the provisions of 35 U.S.C. 135. 37 C.F.R. § 1.226. As of the present date, none of the foregoing have led to the demise or destruction of the patent system.

<sup>14</sup> For example, it might be justifiable to withhold secret information in an abandoned application while the latter were the subject of a co-pending continuation application that the applicant was prosecuting before the Office. See 35 U.S.C. § 120, 37 C.F.R. § 1.60.

cations and a particular policy that could qualify them as "particular types of matters to be withheld" under paragraph (3) (B).<sup>15</sup>

The construction that the court below places on the Sunshine Act will completely eviscerate it. The standard adopted below for FOIA exemption, which is whatever the agency chooses to put in its regulations, is no proper substitute for the chosen standard of Congress. Confiding the power to decide what to withhold or disclose to the agency, subject only to the limitation of the agency's sense of self restraint, if it has one, runs diametrically counter to the congressionally stated purpose of the 1976 Sunshine Act. Unless reversed by this Court, the judgment of the court below will effectively repeal the Sunshine Act.

**IV. Abandoned Patent Applications Are Not Exempted from FOIA by 35 U.S.C. § 122, Because by Its Terms § 122 Does Not Apply to Information Necessary To Carry out the Provisions of Any Act of Congress, and Abandoned Applications Are Such Information.**

An "abandoned" patent application is one on which the applicant has definitely stopped seeking a patent. The application may be one on which the Patent Office has refused to grant a patent, because the subject matter is unpatentable or because the application is defective; it may be one that the applicant has formally relinquished (37 C.F.R. §§ 1.138-139); or it may be one deemed abandoned by reason of the applicant's default or failure to

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<sup>15</sup> The court below states that making abandoned applications available under FOIA would necessarily require that still-pending applications likewise be made available App. B, *infra*, at 14a. This ignores the rest of § 552(b)(3). Moreover, it assumes an inability to make distinctions that the courts (see, e.g., *Application of Sarkar*, 197 U.S.P.Q. 788 (C.C.P.A. 1978)) and the Patent Office (see, e.g., 37 C.F.R. § 1.11(b)) have made and are surely capable of making again. See also note 20, *infra*, p. 26.

proceed forward upon it. *Sears v. Gottschalk*, 502 F.2d 122, 124 (4th Cir. 1974), cert. denied, 422 U.S. 1056 (1975).<sup>16</sup> As the court below recognized (App. B, *infra*, at 6a-7a), abandoned applications can function as evidence of unpatentability—such as evidence of the state, and “the level of ordinary skill in the pertinent art” (*Graham v. John Deere Co.*, 383 U.S. 1, 17 (1966); *Dann v. Johnston*, 425 U.S. 219, 226 (1976)) at the time they were filed; and, in some circumstances, the Patent Office is willing to consider them in carrying out the Office’s duty under 35 U.S.C. § 131 to examine patent applications for invention and the other indicia of patentability. Moreover, as the Court below further recognized (App. B, *infra*, at 15a), the patent statute and the office’s regula-

<sup>16</sup> In this and the lower federal courts, both before and after the enactment of 35 U.S.C. § 122 and 35 U.S.C. § 103 as a part of the 1952 revision of the patent laws, abandoned patent applications have been routinely used as evidence on the issue of patentability. See *Smith v. Hall*, 301 U.S. 216 (1937); *Altoona Publix Theatres v. American Tri-Ergon Corp.*, 295 U.S. 237, 242 (1935); *Yale Lock Mfg. Co. v. Greenleaf*, 117 U.S. 554 (1886); *Brown v. Davis*, 116 U.S. 237 (1886); *Brown v. Guild*, 90 U.S. 181, 211 (1874); *James B. Clow & Sons, Inc. v. United States Pipe & Foundry Co.*, 313 F.2d 45, 46, 51 (5th Cir. 1963) (“Congress made the public interest dominant in requiring that a patent issue only to the first inventor in fact. . . . In this connection the [abandoned] application of Mathieu should be produced if it becomes relevant on remand. . . . Neither . . . § 122 nor the rules of the Patent Office promulgated thereunder requiring patent applications to be maintained in confidence . . . may be used to prevent the truth from coming to light. . . .”); *Package Devices Inc. v. Sun Ray Drug Co.*, 301 F. Supp. 768 (E.D. Pa. 1969), aff’d, 432 F.2d 272 (3d Cir. 1970); *Carver Mfg. Co. v. Rex Chainbelt, Inc.*, 281 F. Supp. 717 (E.D. Wis. 1968).

More generally, unpublished information is held to be valid evidence of the level of skill in the art at the time it became known. *International Glase Co. v. United States*, 408 F.2d 395, 404 (Ct. Cl. 1969) (collecting cases). See also *Dow Chem. Co. v. Halliburton Oil Co.*, 324 U.S. 320, 326 (1945) (unpublished report evidence of level of skill); *Felburn v. New York Central R.R.*, 350 F.2d 416 (6th Cir. 1965); *United States Pipe and Foundry Co. v. Woodward Iron Co.*, 327 F.2d 242 (4th Cir. 1964). Abandoned applications are one variety of such evidence.

tions (such as 37 C.F.R. § 1.104(a)) require the Office to make a thorough examination of the state of the art. The Patent Office is required to do so, also, by the decisions of this Court. See *Graham v. John Deere Co.*, 383 U.S. 1, 17-18 (1966).

Petitioner sought FOIA access to "those abandoned applications that may be in any way germane, based on their subject matter, to the patentability" of the claims of petitioner's patent application (*supra*, p. 8), because examination of such abandoned applications to determine the state of the art is "necessary" to carry out the foregoing requirements of the patent statute. If petitioner is right in this contention, as we contend it is, § 122 by its terms is inapplicable here—since it expressly does not apply to information "necessary to carry out the provisions" of the patent statute or any other statute.

The court below held, however, that consideration of such abandoned applications is *not* "necessary" to carry out the requirements of the patent statute, because 35 U.S.C. § 131 does not expressly "purport to compel the Patent Office to undertake a search of all abandoned patent applications in deciding patentability" (App. B, *infra*, at 15a). There are two flaws in the court's reasoning. First, the question is not so broad as whether a search of *all* abandoned applications is necessary, but only of whether one is necessary of those "germane, based on their subject matter, to the patentability of petitioner's application" (*supra*, p. 8).

This does not require the Office to make a search of all abandoned applications, and it is the exact same type of search that the Patent Office routinely makes among the approximately four million issued patents to determine the patentability of each new patent application. Thus, each time a new application is assigned to a patent examiner, he must search through and "make a thorough investigation of" (37 C.F.R. § 1.104(a)) those of the four

million issued patents, and all of the other items evidencing the prior art, that are "germane, based on their subject matter, to the patentability" of the application. These are the ones in the particular field of art to which the new application relates. See *Manual of Patent Examining Procedure*, §§ 704, 717.05, 904, 904.01(d) (U.S. Dept. of Commerce, 3d ed., rev. Jan. 1978). See also App. B, *infra*, at 5a-6a.

Second, although § 131 does not *expressly* refer to abandoned applications, as the court below correctly states, it does not *expressly* refer, either, to issued patents (domestic or foreign), printed publications, or any other evidence of the state of the art and the level of skill therein. The statute simply directs that an examination be made to determine whether "the applicant is entitled to a patent under the law" (35 U.S.C. § 131). Yet, no one could legitimately contend that it is not "necessary to carry out the provisions of [the] Act of Congress" for the Patent Office to search out issued patents, printed publications, and everything else pertinent to its determination of whether the applicant "is entitled to a patent under the law".<sup>17</sup>

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<sup>17</sup> The court below misses the point when it states (correctly, so far as it goes) that abandoned applications, because of the Patent Office secrecy rules involved in this case, are not so widely disseminated that they become "prior art," in and of themselves within the meaning of 35 U.S.C. §§ 102(a)-(b) (see App. B, *infra*, at 5a-6a). But the principal relevance of abandoned applications is not that they are equivalent, for the purposes of 35 U.S.C. § 102, to magazine articles or published patents, so much as to show the general state of knowledge and "level of skill" in the art at the pertinent time, *Graham, supra*, so that it can be determined under 35 U.S.C. § 103 whether the claimed invention would have been "obvious". In addition, abandoned applications may also be *evidence* of knowledge or activities that under, e.g., § 102(g) are prior art, even though the applications in themselves are not "prior art" under § 102(a)-(b).

In suggesting (App. B, *infra*, at 6a) that an unpublished application can "become evidence of prior art only when it has been

The court below gave another reason for not considering the examination of abandoned applications to be "necessary" to carry out the Act of Congress involved here. This was the fact that *contrary* to the practice of the federal courts in patent infringement litigation (see note 16, *supra*), the Patent Office has for years stopped following its Nineteenth Century patent examination practice of carefully searching through abandoned applications, a fact that this Court noted without enthusiasm in *Alexander Milburn Co., v. Davis-Bournonville Co.*, 270 U.S. 390, 400, 402 (1926).<sup>18</sup> But the rule in this Court is that the agency is not entitled to disregard the policy or intent of the statute, and the agency acquires no right to do so by prescription. *Volkswagenwerk Aktiengesellschaft v. FMC*, 390 U.S. 261, 272 (1968) (collecting authorities); accord, *Morton v. Ruiz*, 415 U.S. 199, 237 (1974); *Espinoza v. Farah Mfg. Co.*, 414 U.S. 86, 94-95 (1973). Moreover, the Patent Office's present administrative construction of the statute is made

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appropriately disclosed," the court below not only flies in the face of logic, but it disregards the decision of this Court in *Hazeltine Research, Inc. v. Brenner*, 382 U.S. 252 (1965) (petitioner held wrong in contending "that the term 'prior art,' as used in § 103, really means only art previously publicly known").

<sup>18</sup> The court, per Mr. Justice Holmes, observed that pragmatic or empirical considerations doubtless made it convenient, even if not necessary, for the Patent Office to refuse to search abandoned applications as it once did. The propriety of the Office's current practice was not directly before the Court in *Milburn*, and the Court was not "disposed to disturb it" in the circumstances. Nevertheless, the Court refused to extend this practice to the case of a still-pending, not-abandoned application as one of the parties urged it to, because the clear policy of the statute was to grant a patent only to the first inventor. The case before the *Milburn* Court involved a still-pending, not-abandoned patent application, and the Court held it to be prior art despite the fact that the subject matter of the application had not become publicly known at the time in question. Thus, nothing in *Milburn* can be considered judicial approval of the Patent Office's change of practice as to a matter not in issue in the *Milburn* case, but in issue here.

more questionable because the agency involved here is one that this Court has already criticized for laxity in the very area under consideration. In *Graham v. John Deere Co.*, 383 U.S. 1 (1966), this Court pointed out "that the primary responsibility for sifting out unpatentable material [through the examination of patent applications in accordance with the statute] lies in the Patent Office," because the issuance of patents without an adequate pre-issuance search, and thus leaving them "to await litigation," will "debilitate the patent system" (*id.* at 18). The Court then went on to state that it had "observed a notorious difference between the standards applied by the Patent Office and by the courts," a discrepancy best explained by "the free rein" used in the patent examination process and by the Office's failure "to strictly adhere to the 1952 [Patent] Act as interpreted herein" (*ibid.*). In these circumstances, surely it is an understatement to say that little weight deserves to be given the Patent Office's present administrative construction of its statutory duty to examine patent applications, and that the better view of the statute and such cases as *Graham*, *supra*, is that it is "necessary" under the Act for the Office to resume its former practice, which was regularly to search and consider germane abandoned applications in determining patentability.<sup>19</sup> For that rea-

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<sup>19</sup> We note that *Graham* and the case at bar do not represent the only occasions on which a discrepancy could be found between the Patent Office's and the courts' interpretation of the Office's responsibility under the patent statute to examine patent applications properly. This Court found itself obliged to correct the Patent Office's subordination of its responsibility under the patent statute to the Office's interest in following its own rule of "convenience in administration" in *United States ex rel. Steinmetz v. Allen*, 192 U.S. 543 (1904). In that case this Court upheld the inventor Charles Steinmetz who sought mandamus against the Commissioner because the Office refused to examine Steinmetz's application containing claims to both an alternating current meter and the method for operating the same meter. The courts had permitted such patents (*id.* at 557-560); the Patent Office had at some times permitted

son, such applications are excluded from the operation of § 122, by its very terms, and are therefore producible under FOIA.<sup>20</sup>

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such joiners but had later adopted a rule of "convenience of administration" requiring two separate applications and thus separate patents on any such invention (*id.* at 563).

This Court observed, "If there is a divergence of views between the courts and the Patent Office, and the divergence proceeds from a different interpretation of the statute, the view of the courts ought to prevail" (*id.* at 560), and it therefore found the Office's practice invalid. We submit that the Office's present refusal to search germane abandoned applications, adopted again as a matter of "convenience of administration" for the Office, runs as counter to the interpretation of the statute that is followed in this and the other federal courts (see note 16, *supra*) as did the Office's interpretation challenged in the *Steinmetz* case, and that the same conclusion that the agency's construction should give way to that of the courts should therefore follow here. Cf. *Andrews v. Hovey*, 124 U.S. 694, 717 (1888) ("No question arising in any such [patent] case, reviewable by this Court, can be regarded as finally settled, or as to establish the law for like cases, until it has been determined by this Court").

<sup>20</sup> The question of *pending* germane applications (to which the court below alluded, App. B, *infra*, at 14a) is not involved in this case, and it is therefore not necessary for this Court to deal with them in the instant case, but there are obvious administrative expedients to protect their confidentiality if and when the question should ever arise as to the necessity of considering them in a patentability determination. The question may arise, irrespective of the disposition of the instant case, because this Court has already held that in determining patentability (in carrying out the Office's duties under 35 U.S.C. § 131 that are involved in the present case) the Office must consider earlier-filed co-pending applications in some circumstances, because if in fact they issue as patents they may be evidence of obviousness under 35 U.S.C. § 103 or themselves be statutory bars under 35 U.S.C. § 102(e). *Hazeltine Research, Inc. v. Brenner*, 382 U.S. 252 (1965). See also 37 C.F.R. § 1.226 (pending applications made available to opposing parties in interference proceedings); 37 C.F.R. § 1.11(b) (pending *reissue* applications available to the public).

In the *Hazeltine* case, this Court expressly refused to allow the provisions of 35 U.S.C. § 122 to detract from the Office's obligation to consider such applications for § 103 purposes, in order not to "create an area where patents are awarded for unpatentable advances in the art" (*id.* at 256). The Court did not discuss in *Hazel-*

**V. Petitioner Is Entitled to an Order Compelling the Patent Office to Consider Germane Abandoned Applications in Determining the Patentability of Petitioner's Pending Application.**

Petitioner has also sought a mandatory injunction requiring the Patent Office to consider germane abandoned applications, regardless of whether they are to be disclosed to petitioner under FOIA, when the Office makes a final determination whether to grant a patent to petitioner on its pending application. In the preceding section of this petition, we explained the reasons why it is "necessary" that the Office consider germane abandoned applications, in order to carry out the requirements of the patent statute (35 U.S.C. § 131; see 37 C.F.R. § 1.104). For the same reasons, the Office has a duty to petitioner as a patent applicant to consider such germane abandoned applications in determining whether to grant petitioner a patent. Petitioner is entitled to have the Office follow the command of *Graham v. John Deere Co.*, *supra*, that it properly carry out "the primary responsibility for sifting out unpatentable material" (383 U.S. at 18) through a proper and thorough examination of petitioner's application.

Issuing a patent to petitioner without first making a proper search and evaluation of the state of the art is no favor from the Office to petitioner. To be sure it would give petitioner a hunting license to sue possible

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*tine* how to reconcile the interest (if any) of a pending applicant in maintaining the secrecy of his application with the interest of the public in not having spurious patents issue, *but* the way federal courts routinely deal *in camera* with evaluation of claims of attorney-client privilege as to particular documents suggests one obvious approach, and F.R. Civ. P. 26(c)(7) suggests another. Whatever procedures *Hazeltine* requires for pending applications could surely be applied to abandoned applications or to pending ones if it became necessary to consider them for other purposes. In any event, the problem already exists and cannot be made to go away by dismissing petitioner's complaint.

infringers, but there are two things wrong with such a license, from petitioner's standpoint. First, for petitioner simply "to await litigation" in this way would not only "debilitate the patent system" (*Graham*, 383 U.S. at 18), but also force patent applicants such as petitioner to stake business expectations on the hazard of the dice. If petitioner's "carvable dental composite restorative material" is a true invention, it may be worth it to petitioner to commit substantial sums to develop and promote a market for the product, in anticipation of recouping such sums by reason of the exclusive enjoyment of that market for seventeen years (see 35 U.S.C. § 154); but if the patent will turn out to be merely a paper tiger,<sup>21</sup> petitioner will not succeed in enjoying the exclusive market for the product and cannot thus recoup its investment. Second, the proffered hunting license is not cheap. The cost of "a patent suit is often staggering to the small businessman" (*Blonder-Tongue Labs., Inc. v. University of Ill. Foundation*, 402 U.S. 313, 334 (1971)). Petitioner cannot afford the luxury of a mere hunting license; it wants and needs the assurance of a proper determination under 35 U.S.C. § 131 that will make 35 U.S.C. § 282's presumption of validity more than an illusory promise. The Patent Office's duty to make a proper evaluation of patentability, rather than

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<sup>21</sup> As it is, most of the patents that the Patent Office issues turn out to be invalid. See, e.g., 119 Cong. Rec. S9101 (March 22, 1973) (Remarks of Senator Hart, fewer than 20% of litigated patents upheld as valid and infringed, and 72% invalid in courts of appeals); Statement of Thomas E. Kauper, Assistant Attorney General, Hearings before Subcomm. on Patents, Trademarks, and Copyrights, Comm. on Judiciary, U.S. Senate, 93d Cong., 1st Sess., on S. 1321 (Sept. 12, 1973), at p. 293 (over 70% invalid, ¾ of the time because of prior art or other information not considered by Patent Office); Statement of Richard W. McLaren, Assistant Attorney General, Hearings before Subcomm. on Patents, etc., U.S. Senate, 92d Cong., 1st Sess., on S. 643, etc., (May 11, 1971), at p. 266 (72% invalid). Petitioner has no desire to add to the roll of spurious patents. It would rather have no patent than the costly luxury of an invalid one.

just pass the matter on "to await litigation" in the courts is not just a duty owed the general public<sup>22</sup> or the federal judicial system—it owes that duty to patent applicants, also, such as petitioner.

The court below denied that there was jurisdiction to give petitioner the relief that petitioner sought in order to compel the Office to carry out its statutory duty. The Court relied on the grounds that mandamus will not lie and that petitioner failed to exhaust its administrative remedies. Both of these asserted grounds are erroneous.

Mandamus (28 U.S.C. § 1361) will lie to compel a federal agency to perform a duty owed a plaintiff. Thus

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<sup>22</sup> Although petitioner's main concern is its own interest and the duty owed it, nevertheless, the similar public interest in a better assurance of patent validity through having the Patent Office properly comply with 35 U.S.C. § 131 and the *Graham* decision can hardly be ignored. Professor Kauper (then Assistant Attorney General) expressed this view eloquently (Hearings, *supra*, proceeding footnote) :

. . . The primary reason why such a [public opposition] proceeding is desirable is that it tends to assure that more relevant information concerning patentability will be considered by the Office prior to the time of issuance. Under the present system, a number of patents that the Office issues are later invalidated in court because the patentee's adversary in such subsequent litigation produces highly relevant information that was never considered by the Patent Office. It has been frequently asserted that in excess of 70 percent of the patents litigated in recent years have been held invalid. While this statistic can be misused, it is still alarming. A more recent study demonstrates that in more than three-fourths of these cases the Federal courts have relied largely on prior art or other information not cited to or considered by the Patent Office when rendering decisions as to invalidity. This strongly suggests that the primary goal of patent reform should be to get as much information concerning patentability from all sources—from the applicant himself, from the Office search files, and from members of the public—before the Office prior to issuance. The costs of failure to make such changes are immense, and should not be measured merely in terms of a high mortality rate for issued patents that are litigated in court.

in *United States ex rel. Steinmetz v. Allen*, 192 U.S. 543 (1904), this Court allowed mandamus against the Commissioner of Patents to compel him to examine a patent application properly.<sup>23</sup> Similarly, mandamus will lie against the Registrar of Copyrights to compel a copyright registration when the Registrar erroneously refuses to make the registration. *Esquire, Inc. v. Ringer*, — F.2d —, —, n. 7, —, n. 28, 199 U.S.P.Q. 1, 3, n. 7, 8, n. 28 (D.C. Cir. 1978); *Eltra Corp. v. Ringer*, 579 F.2d 294, 296 n. 4 (4th Cir. 1978). More generally as Judge Leventhal pointed out in his concurring opinion in the recent *Esquire* decision, *supra* (— F.2d at —; 199 U.S.P.Q. at 9-10): (1) since the 1962 Mandamus and Venue Act (28 U.S.C. § 1361), the district courts have been authorized to issue corrective orders to any federal officials "not acting within the zone of their permissible discretion" or otherwise acting contrary to law, "regardless of what were "the hoary strictures of old mandamus law"; and (2) since the 1976 amendment to 28 U.S.C. § 1331,<sup>24</sup> as that section has been interpreted by this Court in *Califano v. Sanders*, 430 U.S. 99, 105-107 (1977), the federal courts have jurisdiction to review any agency action "subject only to preclusion-of-review statutes" expressly applicable to the case at bar.<sup>25</sup> In rul-

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<sup>23</sup> The Patent Office objected to the fact that the inventor Steinmetz claimed a meter and the method of operating it in a single patent application rather than by means of two applications. The Court required the Office to examine the application as a single application.

<sup>24</sup> The court below at one point assumes, *arguendo*, that § 1331 confers jurisdiction. App. B, *infra*, p. 16a. *Sanders*, however, so holds and thus makes it academic whether mandamus or other review statutes are also available.

<sup>25</sup> In *Sanders*, this Court held that there was no jurisdiction to review the agency action, because 42 U.S.C. § 405(h) expressly precluded review under 28 U.S.C. § 1331. No such provision exists in the patent statute, so that § 1331, as interpreted by *Sanders*, necessarily confers jurisdiction here.

ing otherwise, the court below was simply following the outmoded "hoary strictures of old mandamus law" that no longer apply.

Petitioner has exhausted its administrative remedies. It requested the Commissioner to cause germane abandoned applications to be examined in determining whether to grant a patent on petitioner's application (App. E, *infra*, pp. 29a-30a; 33a-35a), and the Commissioner wrote a final decision-letter refusing to do so (App. E, *infra*, pp. 36a-38a). Even if the Commissioner's decision-letter to petitioner (which on its face claims to be a final decision ripe for review) could in some way be deemed non-final, it would be an exercise in futility for petitioner to go through the motions of requesting the Commissioner to change his mind, because the Patent Office has made it clear beyond any doubt (not only in the Commissioner's decision-letter but in the briefs at every stage of this case) that it is firmly committed to not considering these abandoned applications in determining patentability pursuant to 35 U.S.C. § 131. The doctrine of exhaustion of administrative remedies does not require exercises in futility, *Porter Cty. Chap. v. Costle*, 571 F.2d 359, 363 (7th Cir. 1978); *Bendure v. United States*, 554 F.2d 427 (Ct. Cl. 1977); *Natural Resources Defense Council, Inc. v. Train*, 510 F.2d 692, 703 (D.C. Cir. 1975) but has "some flexibility depending on the circumstances" *Jaffe v. Bergland*, 579 F.2d 59, 62 (10th Cir. 1978). Review of the Patent Office rulings at issue here would entail no premature interruption of the administrative process, for the agency has already applied its expertise and discretion and there is no possibility that the agency will change its mind thus avoiding the need for a court to intervene. See *McKarl v. United States*, 395 U.S. 185, 193-5 (1969), *Jaffe* *supra*.

**CONCLUSION**

For the foregoing reasons, the petition for writ of certiorari should be granted.

Respectfully submitted,

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**RICHARD H. STERN**  
Attorney for Petitioner

November 1978.

# **Appendices**

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**APPENDIX A**

**UNITED STATES COURT OF APPEALS  
FOR THE NINTH CIRCUIT**

No. 76-2082

[Filed Oct. 30, 1978]

LEE PHARMACEUTICALS,  
*Plaintiff-Appellant,*  
v.

JUANITA M. KREPS, etc., et al.,  
*Defendants-Appellees.*

**ORDER**

Before: HUFSTEDLER and WRIGHT, Circuit Judges,  
and SOLOMON,\* District Judge

This court is without authority to extend the time within which a petition for certiorari can be filed by vacating and re-entering judgment, even if the court were convinced that the untimeliness of appellant's certiorari petition was caused by excusable neglect. (*Federal Trade Commission v. Minneapolis-Honeywell* (1952) 344 U.S. 17.)

Appellant's motion to vacate and to re-enter a fresh judgment to permit filing a certiorari petition is accordingly denied.

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\* Honorable Gus J. Solomon, Senior United States District Judge, District of Oregon, sitting by designation.

**APPENDIX B**

**UNITED STATES COURT OF APPEALS  
NINTH CIRCUIT**

June 29, 1978

No. 76-2082

LEE PHARMACEUTICALS,  
*Plaintiff-Appellant,*  
v.

JUANITA M. KREPS, Secretary of Commerce, et al.,  
*Defendants-Appellees.*

Mary Helen Sears (argued), of Irons & Sears, Washington, D.C., for plaintiff-appellant.

Alice Mattice (argued), Washington, D.C., for defendants-appellees.

Appeal from the United States District Court for the Central District of California.

Before HUFSTEDLER and WRIGHT, Circuit Judges, and SOLOMON,\* District Judge.

HUFSTEDLER, Circuit Judge:

Lee Pharmaceuticals ("Lee"), a patent applicant, brought this action to compel the Patent Office to produce abandoned patent applications under the Freedom of Information Act ("FOIA"), 5 U.S.C. § 552 (1977) and to consider such applications as evidence of prior art in evaluating Lee's claims of patentability, under 35 U.S.C. § 131 (1970). Lee appeals from a judgment dismissing its complaint for failure to state a claim upon

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\* Honorable Gus J. Solomon, Senior United States District Judge, District of Oregon, sitting by designation.

which relief could be granted. We affirm, holding that (1) abandoned patent applications are not producible under FOIA because section 122 of the Patent Act (35 U.S.C. § 122 (1970) ("[a]pplications for patents shall be kept in confidence by the Patent Office")) is a specific statutory exemption from disclosure within the meaning of Exemption 3 of FOIA (5 U.S.C. § 552(b)(3) (as amended in 1976)), and (2) no justiciable controversy is presented by Lee's challenge to Patent Office procedures.

Lee applied for a patent for a "carvable, dental composite restorative material" (Serial No. 504,838). Before the Patent Office began examining its application, Lee wrote to the Solicitor of the Patent Office demanding that abandoned patent applications for products similar to its own be considered as evidence of prior art in the examination process and demanding that copies of those applications be made available to Lee under FOIA. The Solicitor and later the Commissioner of Patents refused the demand relying upon 35 U.S.C. § 122 and citing *Sears v. Gottschalk* (4th Cir. 1974) 502 F.2d 122, *cert. denied sub nom. Sears v. Dann* (1975) 422 U.S. 1056, 95 S.Ct. 2680, 45 L.Ed.2d 709.<sup>1</sup> The Commissioner also told Lee that it had no obligation under FOIA to conduct any examination of its patent applications as requested. Lee then brought this action.

Lee's contentions must be placed in the context of the statutes and regulations generally applicable to patent applicants. The Patent Office was created to implement the federal government's constitutional duty to secure to "Inventors the exclusive Right to their respective . . . Discoveries." (United States Constitution, Art. 1, § 8,

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<sup>1</sup> See also *Misegades & Douglas v. Schuyler* (E.D. Va. 1971) 328 F.Supp. 619, 619-20 (holding § 122 shields "all pertinent information" related to pending patent applications from FOIA disclosure).

Cl. 8. *See Kewanee Oil Co. v. Bicron Corp.* (1974) 416 U.S. 470, 480-83, 94 S.Ct. 1879, 40 L.Ed.2d 315.) The earliest legislation conferring jurisdiction to grant patents was enacted in 1790 and following numerous intervening enactments, the law was clarified and codified by the Patent Act of 1952. (*See* P. J. Federico, *Commentary on the New Patent Act*, in 35 U.S.C.A. § 1 at pp. 2-10.) Congress has invested the Commissioner of Patents with broad discretion to establish procedures for the granting and issuing of patents (35 U.S.C. § 6), which has resulted in the issuance of detailed administrative regulations. (*See* 37 C.F.R. §§ 1.1 et seq. (1977).) Patent applicants whose claims are rejected may obtain internal reexamination and reconsideration by the Patent Office (*id.* § 1.111-1.13) and appeal the rejection of a claim of patentability to the Board of Patent Appeals. (35 U.S.C. § 134; 37 C.F.R. §§ 1.191-1.198.) Judicial review of the Board's determination is available alternatively in the Court of Customs and Patent Appeals (35 U.S.C. § 141-44; 37 C.F.R. §§ 1.301-1.302) or "by civil action against the Commissioner in the United States District Court for the District of Columbia." (35 U.S.C. § 145; 37 C.F.R. §§ 1.303-1.304.)

The principal provision of the Patent Act respecting the duty to examine patent applications is 35 U.S.C. § 131 which provides: "The Commissioner shall cause an examination to be made of the application and the alleged new invention; and if on such examination it appears that the applicant is entitled to a patent under the law, the Commissioner shall issue a patent therefor." Of critical import to patentability is the question whether the "invention" is truly novel (*see* 35 U.S.C. §§ 101 ("Whoever invents or discovers any new and useful process . . . or any new and useful improvement thereof, may obtain a patent. . . .") & 102 (conditions of patentability exclude, *inter alia*, inventions "known or

used by others in this country"')). Thus, 35 U.S.C. § 103 provides in pertinent part that a "patent may not be obtained . . . if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art as to which said subject matter pertains." Patent examiners must by regulation "make a thorough study [of the application] and shall make a thorough investigation of the available prior art relating to the subject matter of the invention sought to be patented." (37 C.F.R. § 1.104(a)). The relevancy of prior art to a patent examination proceeding is described in 5 *Deller's Walker on Patents* § 453, at 361 (2d ed. 1972) as anything in tangible form that may properly be relied upon "in support of a rejection on a matter of substance, not form, of a claim in a pending application for patent."

Although abandoned patent applications were used as evidence of prior art very early in the history of the United States Patent Office, the practice has been discontinued since at least 1879. (*Alexander Milburn Co. v. Davis-Bournonville Co.* (1926) 270 U.S. 390, 400, 402, 46 S.Ct. 324, 325, 70 L.Ed. 651 (the practice "is convenient if not necessary to the Patent Office, and we are not disposed to disturb it").) Abandoned patent applications are not used because the secrecy of patent applications negates any assumption that their contents "would have been obvious" to the relevant segment of the public. (35 U.S.C. § 122; 37 C.F.R. § 1.14(a) & (b); *Sears v. Gottschalk*, *supra*, 502 F.2d at 131-32. See *The Corn-Planter Patent* (1874) 90 U.S. (23 Wall.) 181, 210-11, 23 L.Ed. 161 (abandoned patent applications do not necessarily evidence prior use of invention and therefore do not bar patentability of later similar device). See also *Application of Lund* (1967) 376 F.2d 982, 988,

991-92 (abandoned patent application not itself the equivalent of public knowledge of invention by reason of secrecy).) An abandoned patent application may become evidence of prior art only when it has been appropriately disclosed, as, for example, when the abandoned patent is referenced in the disclosure of another patent, in a publication, or by voluntary disclosure under 37 C.F.R. § 1.139. (5 *Deller's Walker on Patents*, *supra*, § 453 at 386-88.) Abandoned patent applications, as thus disclosed, are discoverable in later interference or infringement actions. (5 *Deller's Walker on Patents*, *supra*, § 437 at 49-51; *Application of Lund*, *supra*, 376 F.2d 982.)

## I.

Lee argues that abandoned patent applications are discoverable under FOIA because (1) section 122 is outside the protection of Exemption 3, and (2) in any event, abandoned patent applications do not fall within section 122. Despite section 122's express promise of confidentiality, Lee contends that it is not a specific statute of exemption within the meaning of Exemption 3. It argues that the contrary holding in *Sears v. Gottschalk*, *supra*, 502 F.2d 122, did not survive the 1976 amendment of Exemption 3 because section 122 confers discretion upon the Patent Office to disclose the content of patent applications. Lee asserts that this authority is "indistinguishable" from that conferred by the kinds of discretionary statutes which Congress intended to exclude from Exemption 3, when it enacted the 1976 amendment. In Lee's view, section 122 is not a true confidentiality statute, but, in substance, a statute affirmatively permitting disclosure, subject to limited exceptions. Its fallback position is that the abandoned patent applications it requests are exempted from section 122's coverage because their disclosure is necessary to carry out an alleged duty to consider abandoned patent

applications as evidence of prior art in 35 U.S.C. § 131 application examinations.

The Freedom of Information Act provides generally for liberal access to governmental records by citizens (5 U.S.C. § 552(a)), with the exception of those classes of material specifically exempted from disclosure by its own terms (*id.* § 552(b)).<sup>2</sup> While "the general rule under the Act is to allow disclosure" and to construe the exemptions narrowly (*Theriault v. United States* (9th Cir. 1974) 503 F.2d 390, 392; *see Dept. of Air Force v. Rose* (1976) 425 U.S. 352, 360-62, 96 S.Ct. 1592, 48 L.Ed.2d 11; *see also Washington Research Project, Inc. v. HEW* (1974) 164 U.S.App.D.C. 169, 176, 504 F.2d 238, 245), material which falls within an exemption provision is excluded from the operation of the Act. (*NLRB v. Sears, Roebuck & Co.* (1975) 421 U.S. 132, 137, 95 S.Ct. 1504, 44 L.Ed.2d 29. *See also Administrator, FAA v. Robertson* (1975) 422 U.S. 255, 261-65, 95 S.Ct. 2140, 45 L.Ed.2d 164; *Westinghouse Electric Co. v. Schlesinger* (4th Cir. 1976) 542 F.2d 1190, 1197-99 & nn. 10-

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<sup>2</sup> The Act provides in pertinent part:

(a)

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(3) . . . each agency, upon any request for records which (A) reasonably describes such records and (B) is made in accordance with published rules . . . shall make the records promptly available to any person.

\* \* \* \*

(b) This section does not apply to matters that are—

\* \* \* \*

(3) specifically exempted from disclosure by statute (other than section 552b of this title), provided that such statute (A) requires that the matters be withheld from the public in such a manner as to leave no discretion on the issue, or (B) establishes particular criteria for withholding or refers to particular types of matters to be withheld;

5 U.S.C.A. § 552(a) & (b) (1977).

17 (if another statute forbids disclosure, agency must not produce the material under FOIA.) The exemption provisions of FOIA express the congressional determination that in some areas the public interest in maintaining confidentiality of public records outweighs the competing interest in having their contents revealed. (See *EPA v. Mink* (1973) 410 U.S. 73, 80 & n. 6, 93 S.Ct. 827, 35 L.Ed.2d 119; Note, The Effect of the 1976 Amendment to Exemption Three of the Freedom of Information Act, 76 Column.L.Rev. 1029, 1030-32 (1976) (hereafter cited as Note, FOIA Exemption Three).)

Exemption 3 of FOIA, as amended, provides that FOIA

*"does not apply to matters that are . . . specifically exempted from disclosure by statute . . . , provided that such statute (A) requires that the matters be withheld from the public in such a manner as to leave no discretion on the issue, or (B) establishes particular criteria for withholding or refers to particular types of matters to be withheld."* (5 U.S.C. § 552(b)(3) (1977).) (The italicized proviso of the statute was added by 1976 amendment. Pub.L. 94-409, § 5(b), 90 Stat. 1247.)

Although the amended version of Exemption 3 did not become effective until this appeal was pending, we apply the amended exemption as the law currently governing the duties of government agencies under FOIA. (*NLRB v. Sears, Roebuck & Co.*, *supra*, 421 U.S. at 164-65, 95 S.Ct. 1504; *see also Bradley v. School Board of City of Richmond* (1974) 416 U.S. 696, 710-12, 94 S.Ct. 2006, 2016, 40 L.Ed.2d 476 ("a court is to apply the law in effect at the time it renders its decision, unless doing so would result in manifest injustice or there is statutory direction or legislative history to the contrary").)

The congressional purpose in enacting Exemption 3 in its original form was to expand citizen access to gov-

ernment documents and files without adversely affecting the existing statutes that provided for confidentiality of agency records. Congress recognized that statutes providing for confidentiality generally reflected prior congressional determinations that confidentiality was necessary to protect privacy rights of certain persons or to further the effective administration of specific federal programs. (*Administrator, FAA v. Robertson, supra*, 422 U.S. at 262-67, 95 S.Ct. 2140. *See also* Note, FOIA Exemption Three, *supra*, 76 Colum.L.Rev. at 1030-32, 1036-41.)

The *Robertson* Court gave an expansive reading to Exemption 3, stating that "all existing statutes 'which restrict public access to specific Government records'" were included within the scope of the exemption. (422 U.S. at 265, 95 S.Ct. at 2147.) The Court reasoned that there was nothing in the legislative history to indicate that Congress had intended to except any particular non-disclosure statute. (*Id.* at 263-67, 95 S.Ct. 2140.) In reaching that conclusion, the Court repudiated a line of cases from the Circuits, a leading example of which was *Stretch v. Weinberger* (3rd Cir. 1974) 495 F.2d 639, which had held that statutes protecting confidentiality fell within Exemption 3 only if Congress in that statute had specifically identified either a class or category of items to be exempted, or at least prescribed guidelines for the exercise of discretion. (*Id.* at 640-41.) *Stretch* reasoned that treating statutes which gave "unfettered and unguided" power to agencies to withhold information as within Exemption 3 could eviscerate FOIA.<sup>3</sup>

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<sup>3</sup> 495 F.2d at 640-41. *Accord Schecter v. Weinberger* (1974) 165 U.S. App. D.C. 236, 506 F.2d 1275. *But see California ex rel. Younger v. Weinberger* (9th Cir. 1974) 505 F.2d 767. *See generally Westinghouse Elect. Co. v. Schlesinger, supra*, 542 F.2d at 1199-1202 and cases cited therein; Note, FOIA Exemption Three, *supra*, 76 Colum. L. Rev. at 1032-36. *See also Administrator, FAA v. Robertson, supra*, 422 U.S. at 262-63, n. 6, 95 S.Ct. 2140.

The congressional history of the 1976 amendment of Exemption 3 expressly reveals Congress' intent to overturn *Robertson* and to narrow the scope of Exemption 3, thereby excluding from the exemption those statutes which permitted wholly discretionary non-disclosure, such as those involved in both *Robertson* and *Stretch*.<sup>4</sup> Congressional intent was unmistakably to adopt the reasoning of *Stretch* and to exclude from the exemption statutes giving unfettered power to agencies to withhold information from the public.<sup>5</sup>

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<sup>4</sup> The draftsmen stated in the original House Report that in their view the broad reading of Exemption 3 in *Robertson* "misconceives the intent of exemption (3)", H.R. No. 94-880 reprinted in (1976) *U.S. Code Cong. & Admin. News*, 94th Cong., 2d Sess. 2183, 2204-05. The amendment's intention was thus to exclude such statutes as gave the agency's administrator "*carte blanche* to withhold any information he pleases" *id.* at 2205, but to preserve exemptions where Congress has explicitly provided for protection of data. See also *id.* at 2191 (explicating companion provision to Exemption 3 in 5 U.S.C. § 552b: a "statute that merely permits withholding, rather than affirmatively requiring it, would not come within this paragraph, nor would a statute that fails to define with particularity the type of information it requires to be withheld.")

Significantly, at an interim stage, the bill was altered to read that the disclosure provisions did not apply to matters that were "Required or permitted to be withheld from the public by any statute establishing particular criteria or referring to particular types of information." *Id.* at 2221 (emphasis in original); see also *id.* at 2213 (change would include within section statutes "which allow judgment or discretion in withholding information"). The permissive approach was deleted in the final version.

<sup>5</sup> The Conference Committee Report on the final version of Exemption 3 amendments stated: "The conferees intend this language to overrule the decision of the Supreme Court in *Administrator, FAA v. Robertson*, 422 U.S. 255 [, 95 S.Ct. 2140, 45 L.Ed.2d 164] (1975), which dealt with section 1104 of the Federal Aviation Act of 1958 (49 U.S.C. 1504). Another example of a statute whose terms do not bring it within this exemption is section 1106 of the Social Security Act (42 U.S.C. 1306) [The statute involved in *Stretch v. Weinberger*.]" H.R. Conf. Rep. No. 94-1441 reprinted in (1976) *U.S. Code Cong. & Admin. News*, 94th Cong., 2d Sess. 2244, 2261 (footnote omitted).

Section 122 meets fully the *Stretch* criteria as embodied in the 1976 amendment to Exemption 3. Neither the Patent Office nor the Commissioner is given unfettered discretion to decide whether or not to reveal the contents of patent applications.

Section 122 provides:

"Applications for patents shall be kept in confidence by the Patent Office and no information concerning the same given without authority of the applicant or owner unless necessary to carry out the provisions of any Act of Congress or in such special circumstances as may be determined by the Commissioner." (35 U.S.C. § 122.)

Section 122 was enacted as part of the 1952 Patent Act for the purpose of incorporating into the new Act "the rule of secrecy of patent applications *which has existed in the Patent Office for generations.*" *Sears v. Gottschalk*, *supra*, 502 F.2d at 129, quoting relevant House and Senate reports; emphasis added by the *Sears* court.) Both abandoned and pending applications have been explicitly afforded secrecy by Patent Office regulations since 1949, and those regulations are substantially unchanged today. (37 C.F.R. §§ 1.14, 1.108.) The evident purpose of the confidentiality proviso is to prevent the patent laws from being frustrated by permitting inventors' discoveries to become public knowledge before a patent is secured. As the Court pointed out in *Lear, Inc. v. Adkins* (1969) 395 U.S. 653, 671-72 & n. 17, 89 S.Ct. 1902, 1911-1912, 23 L.Ed.2d 610: "[U]ntil a patent issues, a potential licensee may not learn his licensor's ideas simply by requesting the information from the Patent Office. During the time the inventor is seeking patent protection, the governing federal statute requires the Patent Office to hold an inventor's patent in confidence. If a potential licensee hopes to use the ideas . . . he must deal with the inventor him-

self, unless the inventor chooses to publicize his ideas to the world at large." The same principles apply to abandoned applications because such applications may be reactivated at a later date. 37 C.F.R. § 1.137; *Sears v. Gottschalk, supra*, 502 F.2d at 128.<sup>6</sup>

The provision of section 122 which permits the Commissioner to make disclosure in "special circumstances" is not an authorization to the Commissioner to disclose the contents of patent applications whenever he feels like it. As we have earlier noted, the circumstances under which disclosure may be made are extremely narrow. (E.g., 5 *Deller's Walker on Patents, supra*, § 437 at 47-51; Note, *Discovery in Patent Interference Proceedings*, 89 Harv.L.Rev. 573 (1976). *See also* 37 C.F.R. § 1.14.) Contrary to Lee's argument, section 122 is an express non-disclosure statute with restricted authority on the part of the Commissioner, under special circumstances, to permit disclosure. The statute is not an authorization to an administrator to exempt information from disclosure. (*See California ex rel. Christensen v. Weinberger, supra*, 505 F.2d at 768).<sup>7</sup>

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<sup>6</sup> The *Sears* plaintiff conceded the protected status of pending patent applications but contended that section 122 did not apply to abandoned patent applications. Lee does not here so distinguish the categories, and we agree with the *Sears* court that the legislative history of section 122 suggests that the statute applies equally to both classes of applications. *See* 502 F.2d at 130 & n. 20.

<sup>7</sup> No submitters of abandoned patent applications are parties to these proceedings. Thus, their rights are not directly in issue. *See generally* D.G. Clement, *The Rights of Submitters to Prevent Agency Disclosure of Confidential Business Information: The Reverse Freedom of Information Act Lawsuit*, 55 Texas L. Rev. 587 (1977); *Westinghouse Elec. Corp. v. Schlesinger, supra*, 542 F.2d 1190. However, the fact that a promise of confidentiality attaches for all practical purposes to each application is a significant factor here which weighs against Lee's argument. *Lear, Inc. v. Adkins, supra*, 395 U.S. at 671-72 & n. 17, 89 S.Ct. 1902; *see Westinghouse Elec. Corp. v. Schlesinger, supra*, 542 F.2d at 1210-16; *Petkas v. Staats* (1974) 163 U.S. App. D.C. 327, 329-330, 501 F.2d 887, 889-90

Section 122 bears no resemblance to the statutes considered in both *Robertson* and *Stretch*. Section 122 provides for non-disclosure of "particular types of matters," patent applications, thus falling squarely within provision (B) of Exemption 3.<sup>8</sup> The statutes involved in *Robertson* and *Stretch* applied, variously, to all records and information possessed by the FAA or CAB and to all records of HEW.<sup>9</sup> The statutes there afforded discretion

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(promise of confidentiality may evidence necessity of secrecy to enable efficiency in administration and protect real interests of person who has submitted information). *See also Marinette Marine Corp. v. United States* (Ct. Claims 1976), 546 F.2d 365, 366; *Robles v. E. P. A.* (4th Cir. 1973), 484 F.2d 843, 846.

<sup>8</sup> Provision (B) is alternative to provision (A) which applies to statutes providing flat barriers to disclosure and admitting of no discretion. *E.g. Seymour v. Barabba* (D.C. Cir. 1977) 559 F.2d 806, 807-08. The Congress necessarily envisioned that status satisfying provision (B)'s requirement could provide for limited discretionary disclosure. *See Green v. Dept. of Commerce* (D.D.C. 1977) — F.Supp. —. *See also Sears v. Gottschalk*, *supra*, 502 F.2d at 127 ("we infer that the Third Circuit [in *Stretch v. Weinberger*] would be satisfied that the phrase 'applications for patents' sufficiently identifies the class of items Congress deems appropriate for exemption so that the absence of guidelines in § 122 for the exercise of the Commissioner's discretion would not be determinative.") and *see id.* at 126-27. *See generally*, Note, FOIA Exemption 3, *supra*, 76 Colum. L. Rev. at 1041-46.

<sup>9</sup> *See* 49 U.S.C. § 1504 ("Any person may make written objection to the public disclosure of information contained in any application, report, or document filed . . . or of information obtained by the [Civil Aeronautics] Board or the [Federal Aviation] Administrator . . . . Whenever such objection is made, the Board or Administrator shall order such information withheld from public disclosure when, in their judgment, a disclosure of such information would adversely affect the interests of such person and is not required in the interest of the public."); 42 U.S.C. § 1306(a) ("No disclosure of any return or portion of a return . . . or of any file, record, report or other paper, or any information, obtained at any time by the Secretary of Health, Education, and Welfare, or the Secretary of Labor . . . shall be made except as the [Secretaries] . . . may be regulations prescribe.")

The Committee Report which explained the amendment to Exemption 3 when it was introduced stated that it was intended only to

to agencies to withhold any matter they deemed it desirable to keep secret. Conversely, section 122 affirmatively requires confidentiality for the specific purpose of furthering the objectives of the patent function. (*Cf. Irons v. Gottschalk* (D.C. Cir. 1977) 179 U.S.App.D.C. 37, 39-41, 548 F.2d 992, 994-96 & n. 3 (section 122 protects patent applications from FOIA following the 1976 amendment of Exemption 3, but manuscript decisions of the Patent Office do not fall within protection of 122).)

Nothing in the legislative history of the 1976 amendment to Exemption 3 supports Lee's argument that Congress intended thereby to exclude statutes like section 122. Absent the clearest congressional direction, we would not attribute to Congress an intent to undercut the patent system and to vitiate protections uniformly provided since the institution of patent application procedures, in the guise of making the workings of government more open and accessible to the public. Destruction of the patent system would follow if FOIA could be used to obtain abandoned patent applications because that interpretation of FOIA would permit all pending applications to become equally available. (*See Sears v. Gottschalk, supra*, 502 F.2d at 128-30.)

Lee's contention that the abandoned patent applications it requests are outside the protections of section 122 also fails. Lee's theory is that disclosure of abandoned patent applications is, within the meaning of section 122, "necessary to carry out the provisions of an Act of Congress." The premise is that the Patent Office is obligated under 35 U.S.C. § 131 to consider abandoned

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"eliminate the gap created in the Freedom of Information Act by *Robertson* without in any way endangering statutes [which explicitly provide for protection of particular types of information]." H.R. Rep. No. 94-880, *supra* n. 14 (1976) *U.S. Code Cong. & Admin. News* at 2205.

patent applications which are relevant to the patent being examined as evidence of prior art. The premise is unsound. Nothing in section 131 purports to compel the Patent Office to undertake a search of all abandoned patent applications in deciding patentability. Lee's convoluted argument to the contrary is based upon its own novel interpretation of 37 C.F.R. § 1.104(a). It contends that section 1.104(a)'s requirement that patent examiners make a thorough investigation of available prior art compels patent examiners to search all abandoned patent applications because such applications are sometimes used as evidence of prior art in infringement and interference actions. It then wishes us to read its interpretation of section 1.104(a) into 35 U.S.C. § 131, as a statutory command.

Lee's contentions are entirely unsupported by the language of the statute and regulations, and their consistent interpretation. As we have earlier mentioned, the Patent Office has not used abandoned patent applications as evidence of prior art for almost 100 years, and the policy of nonconsideration has received explicit judicial approval for more than 50 years. (*Alexander Milburn Co., supra*, 270 U.S. 390, 46 S.Ct. 324, 70 L.Ed. 651.)

The district court correctly concluded that Lee's complaint stated no claim for relief under FOIA.

## II.

Lee also contends that, even if disclosure to it cannot be compelled under FOIA, its complaint stated a valid basis for compelling the Patent Office to consider abandoned patent applications as evidence of prior art in evaluating Lee's patent application. In blunt terms, Lee contends that the court had jurisdiction in this action to rewrite 35 U.S.C. § 131, the regulations promulgated by the Patent Office and its practice in evaluating claims

of patentability. The district court did not have jurisdiction to accept Lee's extraordinary invitation.

Lee failed to plead any applicable statutory basis of jurisdiction. FOIA contains no grant of jurisdiction to determine the legality of agency operating procedures collateral to a disclosure request. The Administrative Procedure Act (5 U.S.C. §§ 701-06), upon which Lee relies, is not itself a basis of jurisdiction. (*Califano v. Sanders* (1977) 430 U.S. 99, 97 S.Ct. 980, 51 L.Ed.2d 192.) Its reliance on the mandamus status is equally unavailing because mandamus does not lie in this case. As we held in *Elliott v. Weinberger*, (9th Cir. 1977) 564 F.2d 1219, mandamus will lie to provide jurisdiction to define and to compel compliance with due process requirements or "to compel officials to comply with the law when 'the claim is clear and certain and the duty of the officer is ministerial and so plainly prescribed as to be free from doubt.' *Jarrett v. Resor*, 426 F.2d 213, 216 (9th Cir. 1970)." (*Id.* at 1226.) No due process violation is conceivably involved and the existing law is contrary to the claim that Lee has made. (See also *Association of American Medical Colleges v. Califano* (D.C. Cir. 1977) 569 F.2d 101, 113-14.)

Even if we assume, *arguendo*, that Lee stated sufficient facts to have alleged jurisdiction under 28 U.S.C. § 1331 (a), no presently justiciable controversy exists. In the first place, as Lee concedes, it has not exhausted its administrative remedies. Its failure to exhaust administrative remedies forecloses present judicial review. (*Klein v. Commissioner of Patents* (4th Cir. 1973) 474 F.2d 821; *Doyle v. Brenner* (1967), 127 U.S.App.D.C. 283, 383 F.2d 210. See also 5 U.S.C. § 704; Davis, *Administrative Law of the Seventies*, § 20.01-08 (1976).) Lee argues that the exhaustion doctrines does not prevent judicial intervention because this is an exceptional case calling for early review. Lee's argument is certainly

novel, but the case does not present any exceptional circumstances warranting premature judicial intervention.

In the second place, the more fundamental defect is that the complaint states no claim or controversy which is ripe for adjudication. The ripeness doctrine was designed "to prevent the courts, through avoidance of premature adjudication, from entangling themselves in abstract disagreements over administrative polices, and also to protect the agencies from judicial interference until an administrative decision has been formalized and its effects felt in a concrete way by challenging parties." (*Abbott Laboratories, Inc. v. Gardner* (1967) 387 U.S. 136, 148-49, 87 S.Ct. 1507, 1515, 18 L.Ed.2d 681. *Accord: Toilet Goods Association v. Gardner* (1967) 387 U.S. 158, 160-65, 87 S.Ct. 1520, 18 L.Ed.2d 697; *Gardner v. Toilet Goods Association* (1967) 387 U.S. 167, 170-72, 87 S.Ct. 1526, 18 L.Ed.2d 704; *New York Stock Exchange, Inc. v. Bloom* (D.C. Cir. 1977) 562 F.2d 736, 740-43.)

The ripeness concept is closely related to the case or controversy requirement of Article 3, which forecloses the courts from resolving hypothetical or abstract questions or questions that are likely to be resolved by the passage of time before the occurrence of any actual injury to the plaintiff. (*Flast v. Cohen* (1968) 392 U.S. 83, 94-101, 88 S.Ct. 1942, 20 L.Ed.2d 947; *Aetna Life Insurance Co. v. Haworth* (1937) 300 U.S. 227, 239-41, 57 S.Ct. 461, 81 L.Ed. 617.)

This case is hopelessly immature. The Patent Office's examination of Lee's application is incomplete, the allegedly illegal procedure has not yet been applied to it, and there is no final administrative action by which it can be aggrieved. (*See Sampson v. Murray* (1974) 415 U.S. 61, 74, 94 S.Ct. 937, 39 L.Ed.2d 166; *see also Toilet Goods Association v. Gardner, supra*, 387 U.S. at 164-

65, 87 S.Ct. 1520.) The entire issue may become moot as a result of the patent examiner's determinations or abandonment of Lee's patent claim.<sup>10</sup> Lee has failed to show that it has "suffer[ed] legal wrong . . . or [that it has been] adversely affected or aggrieved" by agency action. (5 U.S.C. § 702; see *Public Citizen v. Lockheed Aircraft Corp.* (1977), 184 U.S.App.D.C. 133, 139-140, 565 F.2d 708, 714-15.)

The district court lacked jurisdiction of the subject matter, and the complaint was properly dismissed.

**AFFIRMED.**

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<sup>10</sup> On Lee's own theory, it will suffer injury if, by reason of the Patent Office's failure to consider abandoned patent applications, its patent application is erroneously approved, and in a hypothetical future action, a third party defeats Lee's patent by relying upon an abandoned patent application as evidence of prior art.

**APPENDIX C**

**JUDGMENT**

**UNITED STATES COURT OF APPEALS  
FOR THE NINTH CIRCUIT**

**No. 76-2082**

**DC#CV76-0234 MML**

**[Received Jul. 26, 1978]**

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**LEE PHARMACEUTICALS,**  
*Plaintiff-Appellant,*  
**vs.**

**JUANITA M. KREPS, SECRETARY OF COMMERCE, ET AL.,**  
*Defendants-Appellees.*

**APPEAL from the United States District Court for the  
Central District of California.**

**THIS CAUSE** came on to be heard on the Transcript  
of the Record from the United States District Court for  
the Central District of California and was duly sub-  
mitted.

**ON CONSIDERATION WHEREOF, It is now here  
ordered and adjudged by this Court, that the judgment  
of the said District Court in this Cause be, and hereby  
is AFFIRMED.**

Costs in this court in favor of the Appellees and  
against the Appellant.

Costs:

BRIEF OF APPELLEE .... \$112.65

TOTAL \$112.65

A TRUE COPY  
ATTEST JUL. 24, 1978

EMIL E. MELFI, JR.  
Clerk of Court

by: /s/

Deputy Clerk

Filed and entered June 29, 1978

**APPENDIX D**

**ORDER GRANTING DEFENDANTS' MOTION TO  
DISMISS AND DISMISSING ACTION WITH PREJUDICE**

[Entered April 8, 1976]

The motion to dismiss of the defendants, Elliot L. Richardson, Secretary of Commerce and C. Marshall Dann, Commissioner of Patents and Trademarks, came on regularly for a hearing before the Honorable Malcolm M. Lucas, United States District Judge, on April 5, 1976, at 10:00 a.m. Plaintiff appeared by its counsel, John R. Shepphird and James R. Laramie, and defendants appeared by their counsel, William D. Keller, United States Attorney, Frederick M. Brosio, Jr., Assistant United States Attorney, Chief of Civil Division, by Assistant United States Attorney Dzintra I. Janavs.

Whereas it appears to the Court, after considering all the pleadings and other papers filed by counsel, as well as the oral arguments presented that, as a matter of law, plaintiff is not entitled to the relief requested and fails to state a claim for which relief may be granted,

**NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that the defendants' motion to dismiss be and is hereby granted and the action herein is dismissed with prejudice.**

Costs are taxed against plaintiff in the amount of \$20.00.

**DATED:** this 7th day of April, 1976.

**/s/ Malcolm M. Lucas**  
United States District Judge

**Presented by:**

**WILLIAM D. KELLER**  
United States Attorney  
**FREDERICK M. BROSIO, JR.**  
Assistant United States Attorney

**/s/ Dzintra I. Janavs**  
**DZINTRIA I. JANAVS**  
Assistant United States Attorney  
Attorneys for Defendants.

TO THE ABOVE NAMED PARTIES AND TO  
THEIR ATTORNEYS OF RECORD;

You are hereby notified that ORDER GRANTING DEFENDANTS' MOTION TO DISMISS AND DISMISSING ACTION WITH PREJUDICE in the above entitled case was entered in the docket on Apr. 8, 1976.

You are also notified that if this case was tried and you introduced exhibits into evidence, they must be claimed at this office *after* the expiration of thirty days from the receipt of this notice. (*After* sixty days in cases in which the United States, its officers or agencies were parties) Unless they are claimed within thirty days after the expiration of the above period, they will be destroyed pursuant to Local Rule 20(a). If an appeal is taken they will, of course, be held until the Appellate Court finally determines the matter. Exhibits which are attached to a pleading will not be destroyed but will remain as a permanent record in the case file.

EDWARD M. KRITZMAN  
Clerk

By /s/ Linda Estrada  
Deputy Clerk

**APPENDIX E****COMPLAINT FOR RELIEF UNDER**

**(1) The Freedom of Information Act, and  
(2) The Administrative Procedure Act**

[Filed Jan. 20, 1976]

1. Plaintiff is a California corporation having its principal place of business in this judicial district at 1444 Santa Anita Avenue, South El Monte, California.

2. Defendants Rogers C. B. Morton and C. Marshall Dann are, respectively, the Secretary of Commerce and the Commissioner of Patents and Trademarks, and are sued in their official capacity as such.

3. Jurisdiction is vested in this Court and venue is properly laid in this judicial district pursuant to 5 U.S.C. 552(a)(4)(B), 5 U.S.C. 701-706 and 28 U.S.C. 1361.

4. Pursuant to 35 U.S.C. 6,

"The Commissioner, under the direction of the Secretary of Commerce, shall superintend or perform all duties required by law respecting the granting and issuing of patents and the registration of trade-marks; and he shall have charge of property belonging to the Patent Office. He may, subject to the approval of the Secretary of Commerce, establish regulations, not inconsistent with law, for the conduct of proceedings in the Patent Office."

5. Regulations established by the Commissioner pursuant to 35 U.S.C. 6 have the force and effect of law and are binding on the Commissioner.

6. Pursuant to 35 U.S.C. §§ 131 and 132

"The Commissioner shall cause an examination to be made of the application and the a<sup>11</sup>age. new invention; and if on such examination it appears that the applicant is entitled to a patent under the law, the Commissioner shall issue a patent therefor.

"Whenever, on examination, any claim for a patent is rejected, or any objection or requirement made, the Commissioner shall notify the applicant thereof, stating the reasons for such rejection, or objection or requirement, together with such information and references as may be useful in judging of the propriety of continuing the prosecution of his application and if after receiving such notice, the applicant persists in his claim for a patent, with or without amendment, the application shall be re-examined. No amendment shall introduce new matter into the disclosure of the invention."

7. Under the authority of 35 U.S.C. §§ 6, 131 and 132 the Commissioner has established regulations for the examination of applications for patents filed in the Patent and Trademark Office, to wit 37 C.F.R. 1.101 through 1.108.

8. Plaintiff is the owner of a plurality of U.S. patent applications which it has caused to be filed in the Patent and Trademark Office. Included is U.S. application Serial No. 504,838.

9. Under 35 U.S.C. §§ 131 and 132 as implemented by 37 C.F.R. 1.104(a) defendants owed plaintiff a duty

(i) "To cause an examination to be made" of plaintiff's application Serial No. 504,838 and to grant a patent thereon only if "applicant is entitled to such patent under the law." More specifically, the defendants owed plaintiff a duty

(ii) "On taking up" application Serial No. 504,838 "for examination to make a thorough study thereof"

to "make a thorough study of the available prior art relating to the subject matter sought to be patented" the "examination" to "be complete in respect both to compliance of the application with the statutes and rules and to the patentability of the invention claimed" 37 C.F.R. 1.104(a) and

(iii) To notify plaintiff of the examination 37 C.F.R. 1.104(b).

10. On September 9, 1975, plaintiff addressed a letter, Exhibit A hereof, to the Solicitor, United States Patent Office, requesting, pursuant to the Freedom of Information Act (FOIA), 5 U.S.C. 552(a)(3), certain records from the files of the defendant Commissioner, and further requesting that the defendant Commissioner discharge the duties imposed upon him by 35 U.S.C. §§ 6, 131 and 132 and 37 C.F.R. 1.104 to consider such records in the examination of plaintiff's pending patent application Serial No. 504,838.

11. The defendants denied plaintiff's request, Exhibit A, by letter dated September 30, 1975, Exhibit B, signed by the Patent Office Solicitor. This denial advised plaintiff "Should you so desire to do so, you may submit a written appeal from this decision within 30 days after the date of this letter."

12. Plaintiff, by letter to the Patent Office Solicitor dated October 29, 1975 (Exhibit C), appealed from the September 30, 1975 (Exhibit B) denial of plaintiff's original request (Exhibit A).

13. The defendants finally denied plaintiff's request Exhibit A, and by letter dated December 1, 1975 (Exhibit D), rejected plaintiff's appeal (Exhibit C). This final denial is signed by C. Marshall Dann and it states:

"This is a final decision for the Department of Commerce from which you have a right of judicial review as specified in 5 U.S.C. 552(a)(4)(B)."

14. The records which are the subject of plaintiff's request must be considered by the defendants in determining whether the defendant is "entitled under the law" 35 U.S.C. 131 to a patent on its application Serial No. 504,838.

15. The defendants' "final decision" constitutes a refusal to perform a duty owed to the plaintiff pursuant to 35 U.S.C. §§ 131, 132 and 37 C.F.R. 1.104.

16. 37 C.F.R. 1.108 is repugnant to law including the Constitution Art. 1, Sec. 1, 1. 8 and at least 35 U.S.C. §§ 101, 102, 103 and 282 and hence is *ultra vires* and void because outside the scope of the Commissioner's authority as specified in 35 U.S.C. 6 to establish regulations, *inter alia* because it precludes the Patent Office from properly assessing the scope and content of the prior art and the level of ordinary skill in the pertinent art through suppression of evidence germane to both that is available to the courts in infringement litigation, and hence is a factor in causing the Patent Office to grant patents, in derogation of the statutory presumption of validity, which are later held invalid in the courts.

17. The records subject to plaintiff's request are not excluded from the mandatory disclosure provisions of the FOIA by any of the nine exemptions set forth in 5 U.S.C. 552(b).

WHEREFORE the plaintiff prays that the court enter a judgment

- a. requiring the defendants to produce to the plaintiff the records subject to the plaintiff's request as set forth in Exhibit A,
- b. requiring the defendants to perform the duties which they owe to the plaintiff pursuant to 35

U.S.C. §§ 131, 132 and 37 C.F.R. 1.104(a) and (b),

c. providing the plaintiff with such other and further relief as may to the court appear appropriate.

Respectfully submitted,

/s/ John R. Shepphird  
JOHN R. SHEPPHIRD  
Counsel for Plaintiff

[EXHIBIT A]

September 9, 1975  
HL 75-441

Mr. Joseph Nakamura  
Solicitor, United States Patent Office  
Washington, D.C. 20230

Dear Mr. Nakamura:

I am writing you as President of Lee Pharmaceuticals and a named inventor on many of its patents and patent applications, to express my dismay that abandoned patent applications in the Patent Office files are not publicly available to be searched before a patent application is filed and are not used in examining patent applications after they are filed. This is particularly difficult for me to rationalize with what I understand to be the fact that such abandoned applications are considered by the courts as evidence that may invalidate an issued patent. In this connection, I have noted the recent use of non-public evidence to invalidate patents in *Del Mar Engineering Laboratories v. United States*, 186 USPQ 42 (Ct. Cls. 1975) and in *Becton, Dickinson & Co. v. Sherwood Medical Industries, Inc.*, No. 72-3599, decided by the Fifth Circuit Court of Appeals July 28, 1975.

At present, my company has a unique commercial product constituting a carvable dental composite restorative material covered by Application Serial No. 504,838. I am writing this letter to request that the Patent Office search for and make available to my company under 5 U.S.C. 552(a)(3) those abandoned patent applications that *may* be in any way germane, based on their subject matter, to the patentability under any section of the patent statutes of the claims of Application Serial No.

504,838—and that those claims be evaluated relative to all abandoned patent applications so located.

I look forward to your prompt response.

Very truly yours,

/s/ Henry Lee  
HENRY LEE, Ph.D.  
President

## [EXHIBIT B]

September 30, 1975

Dr. Henry Lee  
President, Lee Pharmaceuticals  
1444 Santa Anita Avenue  
P.O. Box 3836  
South El Monte, Calif. 91733

Dear Dr. Lee:

This is in response to your letter of September 9, 1975, received on September 16, 1975, requesting that the Patent and Trademark Office search for and make available to your company under 5 USC 552(a)(3), those abandoned applications that may be germane to the patentability of claims in application Serial No. 504,838. I regret that your request must be denied. There are literally hundreds of thousands of abandoned patent applications in the Patent and Trademark Office. An unreasonable amount of effort would be involved in locating any which might be germane to the patentability of the claims in application Serial No. 504,838. And even if any were located, we would be prohibited by statute, 35 USC 122, from making them available to your company. The noted statute specifies that "[a]pplications for patents shall be kept in confidence by the Patent Office \* \* \*." 35 USC 122. Abandoned applications, accordingly, are exempt from disclosure. 5 USC 552(b)(3).

You also request an evaluation of the claims in application Serial No. 504,838, relative to all abandoned patent applications located. This request is likewise denied since 5 USC 552(a)(3) applies only to existing records and does not require an agency to create a record.

Should you desire to do so, you may submit a written appeal from this decision within 30 calendar days after

the date of this letter. The appeal shall include a copy of your original request, a copy of this letter and a statement of the reasons why you believe this denial is in error. The appeal should be addressed to The Commissioner of Patents and Trademarks, Freedom of Information Request Control Desk, Box 50, Washington, D.C. 20231.

Sincerely,

/s/ Joseph F. Nakamura  
JOSEPH F. NAKAMURA  
Solicitor

## [EXHIBIT C]

October 29, 1975

Mr. Joseph Nakamura  
Solicitor, United States Patent Office  
Washington, D.C. 20230

Dear Mr. Nakamura:

This is a written appeal from the decision which appears in the September 30, 1975 letter signed by Joseph F. Nakamura, Solicitor. A copy of my original request dated September 16, 1975 and of Mr. Nakamura's September 30, 1975 letter are enclosed.

The reasons why I believe Mr. Nakamura's denial of my request is in error include the following:

1. As my original request points out non-public evidence, including abandoned patent applications, are considered by the courts as evidence that may invalidate patents for failure to measure up to the constitutional patentability standard as embodied, for example, in 35 U.S.C. 103. Mr. Nakamura does not suggest otherwise.
2. 35 U.S.C. 6 provides that the Commissioner . . . shall superintend or perform all duties required by law respecting the granting and issuing of patents".

As a part of his duties the Commissioner is required to "cause an examination to be made" of each application for patents and of "the alleged new invention" contained therein and to issue a patent on such applications only "if on such examination it appears that the applicant is entitled to a patent under the law" 35 U.S.C. 131.

3. To determine whether the "applicant is entitled to a patent under the law" it is necessary for the Commissioner to consider the evidence germane to

that issue which is contained in abandoned patent applications.

My request that the Commissioner discharge that duty as to my company's application 504,838—a duty which is imposed by the patent statutes—is not rationally denied by Mr. Nakamura's observation that "5 U.S.C. 552(a)(3) . . . does not require an agency to create a record".\*

4. Since, as demonstrated by paragraphs 2 and 3, availability and consideration of abandoned applications is "necessary to carry out the provisions of "an Act of Congress" such records are excluded from the confidence provisions of § 122—and are expressly subject to the *non discretionary* disclosure portions of that statute.

5. Mr. Nakamura's conclusion that under 35 U.S.C. 122 and 5 U.S.C. (b) (3) abandoned applications are "exempt from disclosure" conflicts squarely with *Administrator, F.A.A. v. Butterfield* [sic] 422 U.S. 255, 45 L.Ed.2d 165 (1975).

As explained in that decision, "all parts of an act . . . are to be given effect" and "repeals by implication" are not favored. Statutes capable of co-existence are to be construed to give effect to both or all. Both the FOIA and § 122 have disclosure and nondisclosure aspects. Both aspects of both acts can and should be given effect.

The disclosure aspect of § 122 is concerned with those applications "necessary to carry out the provisions of any Act of Congress". The applications in this category are expressly excluded from its "confidence provisions"

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\* Notably my request was that abandoned applications which are "germane" be considered in connection with my application Serial No. 504,838—just as all other germane references are considered.

by § 122's own terms. "The wisdom of the balance struck by Congress is not open to judicial scrutiny." Robertson, supra. 45 L. Ed. 2d at 174.

Very truly yours,

/s/ Henry Lee, Ph.D.  
HENRY LEE, PH.D.  
President

December 1, 1975

Dr. Henry Lee  
President, Lee Pharmaceuticals  
1444 Santa Anita Avenue  
P.O. Box 3836  
South El Monte, California 91733

Re: Appeal from initial decision  
denying a request under the  
Freedom of Information Act

Dear Dr. Lee:

This is in response to your letter of October 29, 1975, appealing from the denial of your request to have the Patent and Trademark Office search for and make available to your company under the Freedom of Information Act, 5 USC 552, those abandoned patent applications that may in any way be germane to patentability of the claims in your pending patent application. You had also requested, and been denied, an evaluation of the claims in the light of all abandoned applications so located.

I have reviewed the reasons why you believe the denial of your request was in error but am not convinced that the denial was wrong.

Congress has directed that "[a]pplications for patent shall be kept in confidence by the Patent [and Trademark] Office and no information concerning the same given without authority of the applicant or owner \* \* \*." 35 USC 122. The U.S. District Court for the Eastern District of Virginia has held in *Sears v. Gottschalk*, 357 F. Supp. 1327, that abandoned patent applications are barred from disclosure by 35 USC 122, and therefore specifically exempted by statute from disclosure under the Freedom of Information Act, as provided in 5 USC 552(b)(3). The Court's decision was affirmed by the

U.S. Court of Appeals for the Fourth Circuit (502 F.2d 122). Certiorari was denied by the Supreme Court on June 30 of this year (*sub nom Sears v. Dann*) and rehearing was denied on October 6.

I cannot agree with your contention that my duty to "cause an examination to be made" of patent applications (35 USC 131) requires me to consider abandoned patent applications as references. The same contention was made, and rejected by the Court, in *Sears v. Gottschalk, supra*.

The two cases cited in your original request (*Del Mar Engineering Laboratories v. United States*, 186 USPQ 42 (Ct. Cls. 1975), and *Becton, Dickinson v. Sherwood*, 187 USPQ 200 (5th Cir. 1975)) did not involve the use of abandoned patent applications as references.

I cannot agree with your view that the exemption of abandoned applications from disclosure conflicts with the Supreme Court's decision in *Administrator, FAA v. Robertson*, 422 U.S. 255, 95 S. Ct. 2140. The same contention was recently made by the plaintiff in the *Sears* case and rejected by the Court in denying the plaintiff's motion under Rule 60(b), FRCP, for relief from judgment (E.D. Va., November 14, 1975).

Finally, your request that an evaluation of the claims in your pending application be made is a request to have a record (evaluation) made. The Freedom of Information Act does not require agencies to create a record, and your request was, therefore, properly denied.

I am, therefore, finally denying your Freedom of Information Act request on the ground that the requested records fall within the (b) (3) exemption of the Act and the requested evaluation is not within the scope of the Act. This is a final decision for the Department of Com-

merce from which you have a right of judicial review as specified in 5 USC 552(a) (4) (B).

Sincerely,

/s/ **C. Marshall Dann**  
**C. MARSHALL DANN**  
Commissioner of Patents and Trademarks

**APPENDIX F**

**IN THE UNITED STATES PATENT AND  
TRADEMARK OFFICE**

**In re Application of**

**Henry L. Lee, Jr. and  
Jan A. Orlowski**

**Serial No.: 906,926**

**Filed: May 18, 1978**

**For: CARVABLE DENTAL  
RESTORATIVE COMPOSITIONS**

**Examiner: S. M. Levin**

**Group Art Unit: 144**

**SECOND PRELIMINARY AMENDMENT**

**Commissioner of Patents and  
Trademarks  
Washington, D.C. 20231**

**Sir:**

**In the matter of the above-identified patent application,  
please amend the application further as follows:**

***In the specification:***

**Delete the previous amendment requested to be inserted  
before the first line, reading:**

**—This is a continuation of application Serial No.  
669,174, filed March 22, 1976.—**

**Page 1, following line 4 and prior to line 5, insert:**

**—RELATED APPLICATIONS**

This application is a continuation of Serial No. 669,174, filed March 22, 1976, and now abandoned, which in turn was a continuation of Ser. No. 504,838, filed September 10, 1974, and now abandoned.—

\* \* \* \*

For all of the foregoing reasons, prompt and favorable consideration of the application is respectfully requested.

Respectfully submitted,

Irons and Sears, P.C.

By /s/ Frank E. Robbins  
FRANK E. ROBBINS  
Registration No. 17,729

## APPENDIX G

**DECLARATION IN SUPPORT OF  
LEE PHARMACEUTICALS' EMERGENCY MOTION  
FOR VACATION AND REENTRY OF JUDGMENT**

1. My name is Richard H. Stern. I am one of the counsel for Lee Pharmaceuticals in this matter. The following statements are based on my personal knowledge, unless indication to the contrary is made, in which case the statements are made on information and belief.

2. The records of our firm (Irons and Sears, P.C., 1801 K Street, N.W., Washington, D.C.) indicate that we received a copy of this Court's opinion in this matter, but they do not indicate that we ever received a copy of the judgment or any notice of the date of entry of the judgment, pursuant to F.R.App.P. 36. I have read the copy of the opinion of this Court in this matter that we received; it does not contain any statement or notation to the effect that it is the judgment of the court.

3. I began preparing a certiorari petition in this case on approximately September 19, 1978, at which time I noticed that our files did not contain a copy of the judgment of the United States Court of Appeals for the Ninth Circuit. I asked the other two partners in this firm who had knowledge of this case, Edward S. Irons and Mary Helen Sears, and each of them told me that they had never received a copy of the judgment. I then called the office of the clerk for the United States Court of Appeals for the Ninth Circuit (Tel. 415/556-3031) as is evidenced by our firm's records. I do not have a record of the name of the woman with whom I spoke, but I remember that she told me that the judgment of the Court of Appeals had been entered on July 24, 1978, and that I could get a copy of the judgment by sending a letter requesting it, to the Finance Unit, U.S. Court of Appeals, P. O. Box

547, San Francisco, together with a check for \$0.50. I then prepared such a letter and it was mailed to the Finance Unit the next day, with a check, as is indicated by our firm's records. A copy of this letter is annexed as Appendix C.

4. On September 28 and 29, 1978, I spoke on the telephone with Suzanne Siebert, Phillips, Moore, Weissenberger, Lempio & Majestic, 3 Embarcadero Center, 29th Floor, San Francisco, California, 94111, about this matter, as this firm's telephone records show. I asked her to confirm the date of entry of the judgment and to secure a copy of it for me. I explained that I had attempted to get one from the clerk's office, previously, but still had not received any copy, and needed a copy in a hurry so that I could include it as part of the certiorari petition that we planned to file. By this time, I had completed the certiorari petition and the inclusion of the judgment of the Court of Appeals was the only item I lacked in order to send the papers to the printer. Miss Siebert presently called me back, stating that she had gone to the office of the clerk, herself, after her secretary had been unsuccessful in handling the matter. Miss Siebert said she had been told at the clerk's office that the court's records showed that the date of the judgment was July 24, 1978, but that the clerk's office could not give her a copy of the judgment because the papers had all been sent to the Central District of California. She suggested that the only way I could get a copy would be to contact the clerk's office in Los Angeles.

5. Immediately thereafter, on September 29, 1978, I telephoned Mrs. Dzintra I. Janavs, Assistant U.S. Attorney, in Los Angeles. I asked Mrs. Janavs whether she could send me a copy of the judgment of the Court of Appeals in this case, but she said that she did not have a copy and that I would have to try to get one from the clerk's office. I then spoke to several different people in

the clerk's office in the Central District of California, but I was unable to get any information concerning the judgment of the Court of Appeals.

6. I then called Harold DeGraw, 9042 Adams Avenue, Huntington Beach, California, one of our correspondent counsel, as our firm's telephone records indicate. I asked Mr. DeGraw to secure a copy of the judgment of the Court of Appeals for us, so that we could include it in the certiorari petition. After some difficulties in locating the proper order, Mr. DeGraw was able to locate the appropriate document and send a copy of it to us. I received that copy on October 10, 1978. Immediately after receiving it, I began the preparation of the papers relating to this motion.

7. Pursuant to Rule 9(g) of this Court, the following additional information is furnished:

(a) This motion is filed as an emergency motion to avoid irreparable harm to Lee Pharmaceuticals, because relief is needed in less time than would normally be required for the court to receive and consider the matter. At present, the petition for a writ of certiorari appears to be a little less than two weeks late. Any delay or possible prejudice is still at a minimum. Unless Lee acted as promptly and expeditiously as possible, however, it might appear that it was not acting reasonably and diligently in the circumstances. On the other hand, by filing this motion promptly, Lee is able to show that it has not in any way attempted to gain a delay or prolong the disposition of this matter, and it is better able to demonstrate that it was in a position to and would have filed its petition timely, but for circumstances beyond its control and which involved no fault on its part.

(b) On October 10, 1978, I telephoned Mrs. Dzintra I. Janavs, Assistant U.S. Attorney, to notify her in such a manner and at such time that she could respond to the

motion. I also asked Mrs. Janavs whether she were in a position to consent to the relief that Lee seeks in this motion, but she indicated that she was not in a position to respond affirmatively to my request at the time. Mrs. Janavs advised me that I should, in addition, contact Washington counsel for the government, Alice Mattice, U.S. Department of Justice, who is now in charge of handling this matter. I thereupon called Miss Mattice to discuss the matter. Miss Mattice told me that, although she would not consent to the entry of the order Lee seeks, she would not oppose the motion. She requested that we serve her with a copy of these papers, and we are doing so.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on October 11, 1978.

/s/ Richard H. Stern  
RICHARD H. STERN

**APPENDIX H**

**ATTACHMENT TO PRECEDING DECLARATION  
LAW OFFICES  
IRONS AND SEARS  
A Professional Corporation  
1801 K Street, Northwest  
Washington, D.C. 20006**

September 19, 1978

Finance Unit  
U.S. Court of Appeals  
P. O. Box 547  
San Francisco, CA 94101

Re: Lee Pharmaceuticals v. Kreps, Secretary of  
Commerce, No. 76-2082

Gentlemen:

Enclosed is a check for \$0.50. Please send us a copy  
of the judgment entered in the above case, on or about  
July 24, 1978.

Very truly yours,

/s/ Richard H. Stern  
RICHARD H. STERN

RHS/pd

Enclosure

**ORIGINAL**

**RECEIPT FOR PAYMENT**

## United States Court of Appeals

**FOR THE NINTH CIRCUIT  
OFFICE OF THE CLERK**

Received  
From

Irons & Sears

1801 "K" St., N.W.  
NAME

NAME \_\_\_\_\_

DRAFT

76-2082 Washington, D.C. 10-13-78  
(CASE NO.) (ADDRESS) (DATE)  
(SHORT TITLE) 20006

10-13-78  
**DATE**

ACCOUNT	AMOUNT
Clerk's Fee for docketing case	
Clerk's Fee for certified record	
Deposit, Printing record, Rule 17	
Certified copy of	
Certificate of good standing	
Annual subscription for opinions (#)	
Printed slip opinions	
<i>Copy of Judgment</i>	50
For character investigation	
<i># 3015</i>	
	TOTAL
	571

**Deputy Clerk**

B. Murphy  
70334

### TOTAL

51

## JUDGMENT

UNITED STATES COURT OF APPEALS  
FOR THE NINTH CIRCUIT

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No. 76-2082

DC#CV76-0234 MML

LEE PHARMACEUTICALS,  
*Plaintiff-Appellant,*  
vs.JUANITA M. KREPS, SECRETARY OF COMMERCE, ET AL.,  
*Defendants-Appellees.*APPEAL from the United States District Court for the  
Central District of California.THIS CAUSE came on to be heard on the Transcript of  
the Record from the United States District Court for  
the Central District of California and was duly submitted.ON CONSIDERATION WHEREOF, It is now here  
ordered and adjudged by this Court, that the judgment of  
the said District Court in this Cause be, and hereby is  
affirmed.Costs in this court in favor of the Appellees and against  
the Appellant. Costs:

BRIEF OF APPELLEE ....	\$112.65
TOTAL .....	\$112.65

Filed and entered June 29, 1978.